



DANVILLE CITY COUNCIL REGULAR MEETING AGENDA

MUNICIPAL BUILDING

November 19, 2024

7:00 PM

PRESIDING: Alonzo L. Jones, Mayor

CITY COUNCIL MEMBERS:	James B. Buckner	Dr. Gary P. Miller, Vice Mayor
	L.G. "Larry" Campbell, Jr.	Sherman M. Saunders
	Bryant Hood	J. Lee Vogler, Jr.,
	Barry P. Mayo	Madison J. Whittle

STAFF:	Ken F. Larking, City Manager	W. Clarke Whitfield, Jr., City Attorney
	Earl B. Reynolds, Jr., Deputy City Manager	Susan M. DeMasi, City Clerk

The City Council is the City of Danville's legislative body and is composed of nine Council members. Council members are elected to serve a four year term of office and elects one of its own to serve as Mayor and presiding officer for a two year term.

Time and Place of Meeting

The public is invited and encouraged to attend and participate in the City Council meetings. The City Council meets in the City Hall, Fourth Floor, Council Chambers at 7:00 p.m. on the first and third Tuesday of each month. All meetings of the Council are open to the public.

Communications from Visitors

Communication from Visitors is an opportunity for citizens, who have signed up to speak at www.danvilleva.gov/council or by contacting the Office of the City Clerk, to address Council on matters not on the agenda. Citizens who desire to speak on agenda items will be heard when the agenda item is considered. Each speaker shall clearly state his or her name and address, and shall have three uninterrupted minutes. A representative of a group may have up to five uninterrupted minutes to make a presentation. The representative shall identify the group and a group may have no more than one spokesperson. Time will be kept using the electronic timer on the podium.

Guidelines for Public Hearings

For Public Hearings the applicant or his or her representative shall be the first speaker(s). There shall be a time limit of ten (10) minutes for the applicant's or his or her representative's presentation. The presiding officer shall then solicit comments from the public, asking those in favor of the proposal to speak first, and then those opposed to the proposal. Each speaker must clearly state his or her name and address. There shall be a time limit of three (3) minutes for each individual speaker. If the speaker represents a group, there shall be a time limit of five (5) minutes. A speaker representing a group shall identify the group at the beginning of his or her remarks. A group may have no more than one spokesperson. The presiding officer may limit or preclude comment which is repetitive, redundant, cumulative, or irrelevant to the subject of the public hearing. After public comments have been received, in a land use case, the applicant or the representative of the applicant, at his or her discretion, may respond with a rebuttal. There shall be a five (5) minute time limit for rebuttal.

MEETING CALLED TO ORDER

ROLL CALL

INVOCATION - J. LEE VOGLER, JR.

PLEDGE OF ALLEGIANCE TO THE FLAG

CONSENT AGENDA

All matters listed under the Consent Agenda are considered to be routine, have previously been discussed by City Council and/or introduced for First Reading. There will be no separate discussion on these items and they will be enacted by one motion. If discussion is desired by a Council Member or a citizen, the item(s) will be removed from the consent process and considered separately.

PUBLIC HEARING

- A. Consideration of Approval of Minutes from Regular Council Meeting held on October 15, 2024.
Council Letter Number CL - 1695.

Consideration of Approval of Minutes from Regular Council Meeting held on October 15, 2024.

- B. Consideration of Amending the Fiscal Year 2025 Budget Appropriation Ordinance for Virginia Department of Health Lead Service Line Inventory Grants.
Council Letter Number CL - 1614.

An Ordinance Amending the Fiscal Year 2025 Budget Appropriation Ordinance to Provide for two (2) Virginia Department of Health Grants in the Amount of \$250,000 each to Assist with the City's Lead Service Line Inventory Efforts as Directed by the Environmental Protection Agency for Total Funding of \$500,000 and Appropriating the Same.

FINAL ADOPTION

APPOINTMENTS

- A. Consideration of Appointments to Boards and Commissions.
Council Letter Number CL - 1731.

Consideration of Appointments to the following Board:

1. A Resolution Reappointing T. Neal Morris to the Industrial Development Authority.
2. A Resolution Reappointing Russell Reynolds to the Industrial Development Authority.

OLD BUSINESS

- A. Consideration of Authorizing the Issuance of Bonds of the City of Danville, Virginia.
Council Letter Number CL - 1597.

An Ordinance Authorizing the Issuance of Bonds of the City of Danville, Virginia, in the Maximum Aggregate Principal Amount of \$16,000,000 to Finance the Acquisition, Construction and Equipping of Various Capital Projects.

FINAL ADOPTION

NEW BUSINESS

- A. Review of General Fund Financials as of October 31, 2024.
Council Letter Number CL - 1506.
Review of General Fund Financials as of October 31, 2024. Financial Statements are included.
- B. Consideration of Virginia Department of Transportation Project Funding Applications.
Council Letter Number CL - 1662.
1. A Resolution of the City Council of the City of Danville, Virginia Endorsing a Fiscal Year 2026 Virginia Highway Safety Improvement Program Application.
 2. A Resolution of the City Council of the City of Danville, Virginia Endorsing a Fiscal Year 2026 Application for the State of Good Repair Primary Extensions Program.
 3. A Resolution of the City Council of the City of Danville, Virginia Endorsing a Fiscal Year 2026 Application for the State of Good Repair Locally Owned Bridges Program.
- C. Consideration of Granting Tax-Exempt Status to God's Pit Crew.
Council Letter Number CL - 1679.
1. Public Hearing
 2. An Ordinance to Designate God's Pit Crew as Being Exempt from Local Real and Personal Property Taxation.
- D. Consideration of the Issuance of General Obligation Bonds for Capital Projects.
Council Letter Number CL - 1598.
Resolution Providing for the Issuance, Sale and Award by the City of Danville, Virginia, of One or More Series of General Obligation Public Improvement Bonds, Heretofore Authorized, and Providing for the Form, Details and Payment of Such Bonds.
- E. Consideration of Amending the Fiscal Year 2025 Budget Appropriation Ordinance by Anticipating the Proceeds from the Issuance of General Obligation Bonds.
Council Letter Number CL - 1654.
An Ordinance Amending the Fiscal Year 2025 Budget Appropriation Ordinance by Anticipating the Proceeds from the Issuance of Bonds and Appropriating Same for Anticipated Expenditures.
- FIRST READING**

COMMUNICATIONS FROM VISITORS

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COMMUNICATIONS

- A. City Manager
- B. Deputy City Manager
- C. City Attorney

D. City Clerk

E. Roll Call

ADJOURNMENT

Council Letter
City of Danville, Virginia



CL - 1695

CONSENT AGENDA A.

City Council REGULAR MEETING

Meeting Date: November 19, 2024

Subject: Approval of Meeting Minutes.

From: Susan DeMasi, City Clerk

COUNCIL ACTION

Consideration of Approval of Minutes from Regular Council Meeting held on October 15, 2024.

Attachments

1. Meeting Minutes
-

October 15, 2024

The Second Regular October meeting of the Danville City Council was held on October 15, 2024, at 7:00 p.m. in the Council Chambers located on the Fourth Floor of the Municipal Building. The following Council Members were present: James B. Buckner, L.G. "Larry" Campbell, Jr., Bryant Hood, Mayor Alonzo L. Jones, Barry P. Mayo, Vice Mayor Gary P. Miller, Sherman M. Saunders, J. Lee Vogler, Jr., and Madison J.R. Whittle (9).

Staff Members present were: City Manager Ken F. Larking, City Attorney W. Clarke Whitfield, Jr., and City Clerk Susan M. DeMasi. Deputy City Manager Earl B. Reynolds, Jr., was absent.

Mayor Jones presided.

INVOCATION AND PLEDGE OF ALLEGIANCE

Council Member James B. Buckner gave the Invocation followed by the Pledge of Allegiance.

CONSENT AGENDA

Mayor Jones opened the floor for a Public Hearing regarding Budget Items on the Consent Agenda. Notice of the Public Hearing was published in the *Danville Register & Bee* on October 8, 2024. No one present desired to be heard and the Public Hearing was closed.

Council Member Buckner **moved** for adoption of the following Consent Agenda items:

Minutes from the Regular Council Meeting and Work Session held on September 17, 2024. Draft copies of the minutes had been distributed prior to the meeting.

Amending the Fiscal Year 2025 Budget Appropriation Ordinance for an Aviation Promotion Grant

An Ordinance entitled, Ordinance No. 2024-10.03, Amending the Fiscal Year 2025 Budget Appropriation Ordinance to Provide for a State Department of Aviation Grant for the Purpose of Providing Funding to Promote Aviation Awareness at the Danville Regional Airport in the Amount of \$5,000 and for the Local Share in the Amount of \$5,000 to be Provided by the General Fund Support of Grants for a Total Appropriation of \$10,000 and Appropriating Same.

Amending the Fiscal Year 2025 Budget Appropriation Ordinance to Provide Funds for the Housing Study Action Plan

An Ordinance entitled, Ordinance No. 2024-10.04, Amending the Fiscal Year 2025 Budget Appropriation Ordinance to Provide Funding from Unassigned General Fund Balance for the Housing Study Action Plan in the Amount of \$2,000,000 and Appropriating Same.

The Motion was **seconded** by Council Member Whittle and carried by the following vote:

VOTE: 9-0
AYE: Buckner, Campbell, Hood, Jones, Mayo, Miller,
Saunders, Vogler, and Whittle (9)
NAY: None (0)

APPOINTMENTS

Vice Mayor Miller **moved** for adoption of Appointment Resolutions entitled:

October 15, 2024

Resolution No. 2024-10.05 - A Resolution Reappointing Vanessa Cain to the Danville Redevelopment and Housing Authority.

Resolution No. 2024-10.06 - A Resolution Reappointing Faye Brown to the Danville Redevelopment and Housing Authority.

Resolution No. 2024-10.07 - A Resolution Reappointing Andrew Hessler to the River District Design Commission.

Resolution No. 2024-10.08 - A Resolution Reappointing Courtney Nicholas to the River District Design Commission.

The Motion was **seconded** by Council Member Mayo and carried by the following vote:

VOTE: 9-0
AYE: Buckner, Campbell, Hood, Jones, Mayo, Miller,
Saunders, Vogler, and Whittle (9)
NAY: None (0)

NEW BUSINESS

REVIEW OF THE GENERAL FUND FINANCIALS AS OF SEPTEMBER 30, 2024

Michael Adkins, Chief Financial Officer, gave a brief overview of the General Fund financials, noting this marks the end of the first quarter of Fiscal Year 2025 or 25% of the year complete; revenues were tracking very well with budget at this point. The collection of delinquent real estate and personal property taxes showed an increase of about \$392,000 over the last year, and places the City at about 35% of budget for delinquent collections. Current tax revenue will not show up in the financial report until November or December as the property tax bills will be mailed out in about three weeks. Local Consumer based taxes were slightly ahead of the increases that were budgeted for this current fiscal year. Sales tax was at \$3.5M, a little over 27% of budget, and an increase of \$435,000 over last year. Meals tax was at \$3.2M, over 28% of budget for this year and an increase of \$160,000 over last year. Lodging tax was at \$943,000, close to 27% of budget; an increase of \$88,000 over last year. Business licenses were at \$617,000, an increase of \$88,000 over last year. The number of business licenses issued during the first quarter was 222, up from last year's 173, almost 50 additional business licenses at this point for the year. Casino based revenues were very steady and comparable to last year with nearly \$5M collected for the first quarter. State and Federal revenues were tracking as anticipated, and Mr. Adkins noted he had no concerns with those revenue streams. Departmental spending was tracking at 23% of budget, running a couple points behind. The increase between this year and last year relates primarily to pay-for-performance increases that went into effect on July 1st. Nondepartmental spending, which was primarily group health insurance and debt services, were both on target with budget. The City has a very solid budgetary financial performance; the first quarter was a good start to the year.

CONSIDERATION OF ELECTRIC EASEMENT VACATIONS AT THE SOUTHERN VIRGINIA MEGASITE AT BERRY HILL

Mayor Jones opened the floor for a Public Hearing regarding Easements at Berry Hill. Notice of the Public Hearing was published in the *Danville Register & Bee* on October 8, 2024. No one present desired to be heard and the Public Hearing was closed.

October 15, 2024

Council Member Vogler **moved** for adoption of a Resolution entitled:

RESOLUTION NO. 2024-10.09

A RESOLUTION AUTHORIZING THE ABANDONMENT OF THREE CITY EASEMENTS ACROSS PROPERTY LOCATED IN PITTSYLVANIA COUNTY.

The Motion was **seconded** by Council Member Buckner and carried by the following vote:

VOTE: 9-0
AYE: Buckner, Campbell, Hood, Jones, Mayo, Miller,
Saunders, Vogler, and Whittle, (9)
NAY: None (0)

COMMUNICATIONS FROM VISITORS

Mayor Jones recognized Krista Henry, 93 Glen Oak Drive, Danville, who addressed Council about Best Friends Animal Society and how their policies have negatively impacted many communities that they have inserted themselves into including crowded shelters and animal abandonment.

Mayor Jones recognized Sue Ellen Walton who addressed Council on behalf of Michelle Barker, 323 Summit Road, Eden, NC (who was uncomfortable addressing Council) about two of their animals that they rehomed due to hard times. She contacted DAHS and they told her they worked with many shelters and would be rehomed together. Several days later she noticed that the puppies were not posted for adoption and when she contacted someone at the shelter, she was told that they were euthanized for showing aggression; they were not aggressive in any way.

Mayor Jones recognized Cherri Tamson, 528 S. Woodberry Avenue, Danville, who addressed Council about a FOIA request she submitted to DAHS for animal records.

Mayor Jones recognized George Williams, 1646 Buckhorn Drive, Danville, who addressed Council about Danville taking on a six-month program to manage community cat issues as an alternative to the current methods.

Mayor Jones recognized David Wesolowski, 626 N. 29th Street, Richmond, VA, who addressed Council noting that Danville Deserves Better will be opening an office and pet resource center at 523 Lynn Street Suite 104.

Mayor Jones recognized Tanya Martin, 150 Cambridge Circle, Danville, VA who addressed Council about DAHS and their high euthanasia rates. All shelter records were FOIA'd, and 1,494 violations were found. These violations have been emailed to Council and all major news and television stations.

COMMUNICATIONS

There were no communications from the Deputy City Manager or City Clerk.

City Manager Ken Larking discussed the Danville Globe in Council Chambers, brought in by Rick Barker, Vantage Arts Flat, and the artist that created the globe. More details are listed on the card accompanying the globe and there was a book available for purchase on Amazon.

October 15, 2024

City Attorney Clarke Whitfield reminded everyone that due to Election Day, the next City Council meeting will be held on Thursday, November 7 at 7:00 pm.

Council Member Mayo spoke about the opportunity he had to attend the Health Collaborative and the information from different resources and agencies. On November 14, DCC will host the 3rd annual Job and Resource Fair at the Community Market from 10:00 am to 4:00 pm.

Vice Mayor Miller discussed Gordon Ramsey announcing his new restaurant at Caesar's Danville casino. Dr. Miller noted Danville's name was heard everywhere at the VML conference. The Crop Walk raised several thousand dollars for God's Storehouse, and Dr. Miller encouraged early voting before Election Day.

Council Member Saunders noted Danville was growing by leaps and bounds; that has always been the goal of any council, and this growth must continue. Mr. Saunders discussed candidates running for Council and School Board, talked about his first voting experience and how he has never missed voting. Mr. Saunders encouraged early voting, the importance of voting and caring about the city and country.

Council Member Vogler commented on the health collaborative and candidate forums that have given Council the opportunity to engage with the community. Mr. Vogler noted the living conditions at Woodside were unacceptable and deplorable, and stated to citizens, Council has heard about this, and staff was doing everything they could to address what they can on their end. There was a lot to learn at the VML conference and it was amazing to see the transformation over the years. The sessions were very informative, and the connections made were invaluable. The success that Danville was having was being noticed throughout the state and parts of the country.

Council Member Whittle asked the Mayor to put a **Motion** on the floor to reduce real estate taxes by \$0.10 per \$100. Mr. Vogler **seconded** the Motion.

Council Member Saunders stated he can appreciate Council Member Whittle and Vogler looking out for the citizens, some were not doing as well as others. The City was growing because of the careful financial plan that it has, that the City Manager gives Council every year to discuss and look at. There were many things that needed attention like students, housing, schools, infrastructure, and citizens that need help. As the City receives this revenue, it needed to be frugal in expenditures and not just spend money because they have it. Council Member Campbell thanked Council Member Whittle and asked the City Manager to comment on the impact of this motion on the budget; Mr. Whittle noted it was \$2.5M. Mr. Larking stated that the adopted budget was presented in March and adopted in June; the change of a midyear adjustment to the budget would have to be calculated, and midstream, the ability to cut that amount equally in expenditures. Council Member Campbell suggested a study because to just vote on something like this would be irrational at this time. Mayor Jones noted his agreement with Council Member Campbell. Vice Mayor Miller stated that Danville has the second lowest tax rate in the state, and half of the people in Danville rent and would receive no benefit from this. Cutting services will not benefit the majority of those in Danville. This will only benefit landlords and property owners; if a person was renting, they will not receive any benefit from this; this was not a wise policy. It was a tremendous amount that will drastically, negatively impact services; the City cannot afford this and this was not the time to do it. Council Member Vogler stated that he seconded the motion so that Council Member Whittle would have an opportunity to speak on the issue. Mr. Vogler noted he felt strongly about tax relief and it was appropriate through the budget process. During the last budget process, Council lowered the personal property tax rate and the real estate tax rate. At the time the City lowered taxes, the tax assessments had not come through; those assessments came in extremely

high for a lot of people. Mr. Vogler asked Mr. Adkins what the tax rate would need to be in order for Danville to be revenue neutral, and Mr. Adkins stated that the rate would have to be between \$0.75 and \$0.76.

Council Member Campbell asked to have this discussion continued at a future work session. Mayor Jones stated that Council was always looking for ways to have a positive impact on the citizens. Rev Campbell asked how they could have a vote to say whether they were going to reduce taxes or not without having a better understanding.

Council Member Campbell noted he would like to make a **Motion**, before they vote on the tax decrease, that Council have a study on this. The Motion was **seconded** by Council Member Saunders.

Mr. Whitfield noted Council Member Campbell's motion was a substitute motion, that would be voted on first. Mr. Whittle noted they would vote on the \$0.10 on the hundred and Mr. Whitfield explained, they vote on the substitute motion first, and if that passes, that eliminates the need to have the vote for the ten-cent reduction.

The **Substitute Motion** passed with the following vote:

VOTE: 7-2
AYE: Buckner, Campbell, Hood, Jones, Mayo, Miller,
Saunders (7)
NAY: Vogler and Whittle (2)

Mayor Jones noted they do not have to, but he was calling for the vote on **Mr. Whittle's Motion**. The Motion **FAILED** by the following vote:

VOTE: 3-5-1
AYE: Hood, Vogler and Whittle (3)
NAY: Buckner, Jones, Mayo, Miller,
Saunders (5)
ABSTAIN: Campbell (1)

Council Member Whittle put a **Motion** on the floor to take casino money and put it into the Utilities Department instead of bonding it out, take revenues and place them into the utility fund and help that to drive all the power bills down. The Motion was **seconded** by Council Member Vogler.

Council Member Whittle stated that casino monies should be invested in the utility department and drive the utility bills down; it was coming out of the casino, it was not on the taxpayer's back, it was the taxpayer's money and it should be dropped right there and push the utility rates down. That takes care of everybody. Council Member Vogler stated that Council could not just vote on taking casino money without a stated amount. Mr. Whittle said that Council should take 40% of casino money and invest it into the utility department and use that money to help drive the power bills down. Mr. Vogler noted he believed it needed to be discussed; he wanted to lower citizens' utility bills and wanted to have those conversations. Mr. Vogler questioned what investing into the utilities means, did it mean lowering rates, or expanding programs to help people be more energy efficient; to him, Council's goal should be to get to the root cause of why people's bills were high. There were ARPA funds used on a program that took some homes that were very energy inefficient, helped them to become efficient and brought their bills down by about 40%. Mr. Vogler noted he would like to have discussions about expanding that program to more people,

they should use casino funds on that. Mr. Whittle's motion sounds too vague to vote on. Vice Mayor Miller stated that half of the utility funding comes from Pittsylvania County, so the City would be subsidizing the County citizens with casino money; the same county whose leaders opposed a casino coming here. Vice Mayor Miller noted his agreement with Mr. Vogler, if Council just gives money to pay utilities, that disincentivizes people to be conservative, to not practice energy conservation. Dr. Miller noted they needed to get those programs that take houses that are not well insulated and help people so the utility bills will go down; that was where they should spend the money. Council Member Campbell noted his agreement with Vice Mayor Miller about programs like winterizing homes, that would make a difference. Council Member Saunders asked if the motion was on the floor and properly seconded; Mr. Whitfield confirmed that it was. Council Member Saunders Called for the Question.

VOTE: 1-8
AYE: Whittle (1)
NAY: Buckner, Campbell, Hood, Jones, Mayo, Miller,
Saunders, Vogler, and Whittle, (8)

Council Member Whittle put a **motion** on the floor to lower the meals tax to 4%. The Motion **FAILED** due to lack of a second.

Council Member Buckner noted the VML conference was wonderful and commented on the excellent work that Susan McCullough did to represent the City of Danville, leading a workshop along with a representative from Marion, VA. The work the City was doing for the citizens to address housing issues, and the model Danville has set was being used all over the state. It was tremendous to see where Danville was, and where they were going. A lot of people were taking notice of what was happening in Danville. Making quick, snappy decisions was not how Danville got to the position they were in. Council needs to make informed decisions, work with departments to come up with solutions and continue to move forward.

Council Member Campbell noted his agreement on the comments made about the VML conference; Danville was the most talked about city in the conference. Council was proud of its citizens, the Council, and the staff. Rev Campbell asked the City Manager about retirees receiving a bonus, and Mr. Larking stated that a bonus was received several years ago, because of the policy that was in place, and had since been amended slightly; it was not currently budgeted or under consideration. A report was being prepared on requests being made by retirees, how much that would cost, and when that was ready it will be presented to Council. Council Member Campbell reminded everyone to get out and vote.

Council Member Hood gave special thanks to the organizers of this year's Crop Walk to combat hunger and to assist God's Storehouse. This Saturday from 8:00 am to 9:30 am, Big Brothers and Big Sisters will hold their annual Bridging the Gap charity walk; it will start at the fountain, across one bridge and come back to the fountain. Mr. Hood noted he was confident in saying that everyone on Council holds their positions in the highest regard, with the focus being on the citizens and City. Council hears their citizens, like those here speaking tonight.

Mayor Jones noted to the citizens, this was the last time they will hear Council asking them to get out and vote; Council's next meeting will be on Thursday, November 7. To all those running for offices, Mayor Jones thanked them for how they have been running, it has been very peaceful, and encouraged everyone to get out and vote, it's their right and responsibility. This past weekend, the homecoming game at George Washington High School that Council attended was

October 15, 2024

phenomenal. To everyone here tonight and to those who spoke tonight, Mayor Jones thanked them for coming; their passion and emotion was felt in chambers.

The meeting was adjourned at 8:28 pm.

APPROVED:

MAYOR

ATTEST:

CITY CLERK

DRAFT

Council Letter City of Danville, Virginia



CL - 1614

CONSENT AGENDA B.

City Council REGULAR MEETING

Meeting Date: November 19, 2024

Subject: Virginia Department of Health Lead Service Line Inventory Grants.

From: Jason Grey, Director of Utilities

COUNCIL ACTION

An Ordinance Amending the Fiscal Year 2025 Budget Appropriation Ordinance to Provide for two (2) Virginia Department of Health Grants in the Amount of \$250,000 each to Assist with the City's Lead Service Line Inventory Efforts as Directed by the Environmental Protection Agency for Total Funding of \$500,000 and Appropriating the Same.

FINAL ADOPTION

SUMMARY

The City has received two, \$250,000 grants from the Virginia Department of Health as part of the Federal Bipartisan Infrastructure Law bill of 2021. These grants will be used to complete and improve the City's public and private water service line inventory as required by the Virginia Department of Health and Environmental Protection Agency.

BACKGROUND

All water utilities are required to submit an inventory of the material of both the public and private side of a customer's water service line. The inventory has to be improved over the next three years with all lead material being removed after ten years. These two \$250,000 grants will cover the inventory requirements of the EPA and Virginia Department of Health's lead service line inventory mandate.

Future funds have been requested to cover possible replacement of any lead service lines that are discovered.

RECOMMENDATION

It is recommended that City Council approve the attached Ordinance amending the fiscal year 2025 budget appropriation ordinance by increasing revenue for grant funds received from the Virginia Department of Health.

Attachments

1. Ordinance
 2. Award Letter - Drinking Water
 3. Award Letter - BIL
-

PRESENTED: _____

ADOPTED: _____

ORDINANCE NO. 2024____.____

AN ORDINANCE AMENDING THE FISCAL YEAR 2025 BUDGET APPROPRIATION ORDINANCE TO PROVIDE FOR TWO (2) VIRGINIA DEPARTMENT OF HEALTH GRANTS IN THE AMOUNT OF \$250,000 EACH TO ASSIST WITH THE CITY'S LEAD SERVICE LINE INVENTORY EFFORTS AS DIRECTED BY THE ENVIRONMENTAL PROTECTION AGENCY FOR TOTAL FUNDING OF \$500,000 AND APPROPRIATING THE SAME.

NOW THEREFORE, BE IT ORDAINED by the Council of the City of Danville, Virginia, that the Fiscal Year 2025 Budget Appropriation Ordinance be, and the same is hereby, amended by increasing revenues for two (2) grants in the amount of \$250,000 each from the Virginia Department of Health for a total of \$500,000, such funds to be appropriated in the Utility Water Capital Project fund as follows:

ANTICIPATED REVENUES

<u>Description</u>	<u>Account No.</u>	<u>Amount</u>
Lead & Copper Water Line Inventory		
FY 2022 Bipartisan Infrastructure Law (BIL-29L-22)		
VA Department of Health – Federal	61904000-48070	\$250,000
FY 2023 Bipartisan Infrastructure Law/ Financial Assistance (BIL-04L-23)		
VA Department of Health – Federal	61904000-48070	<u>\$250,000</u>
	TOTAL	<u>\$500,000</u>

ANTICIPATED EXPENDITURES

<u>Description</u>	<u>Account No.</u>	<u>Amount</u>
Lead & Copper Water Line Inventory	61904999-50	<u>\$ 500,000</u>

AND BE IT FURTHER ORDAINED that this appropriation shall be a continuing appropriation and shall carry forward from year to year until expended for the purpose for which appropriated; and

BE IT FINALLY ORDAINED, that all other accounts and provisions of the Fiscal Year 2025 Budget Appropriation Ordinance, as amended, not hereby amended, shall continue in full force and effect unless and until hereafter further amended or repealed.

Approved:

Mayor

Attest:

City Clerk

Approved as to
Form and Legal Sufficiency:

City Attorney



COMMONWEALTH of VIRGINIA

Department of Health
P O BOX 2448
RICHMOND, VA 23218

TTY 7-1-1 OR
1-800-828-1120

Karen Shelton, MD
State Health Commissioner

R. Christopher Lindsay
Chief Operating Officer

February 15, 2024

Subject: City of Danville
Water – City of Danville
City of Danville LSL Inventory Project
BIL-04L-23

Sent via Electronic Mail

Mr. Jason Grey
City of Danville
1040 Monument Street
Danville, Virginia 24541

Re: Virginia Drinking Water State Revolving Fund
FY 2023 Bipartisan Infrastructure Law (BIL)/Financial Assistance
BIL Award

Dear Mr. Grey:

The Virginia Department of Health has received your email dated December 27, 2023, accepting our funding offer and conditions as identified in our December 11, 2023, initial offer letter. Your project is being included in this year's draft intended funding list. **The total BIL funding package for your project is \$250,000. The funding package consists of \$250,000 as principal forgiveness.**

The VDH Division of Financial & Construction Assistance Programs (FCAP) administers BIL funds. You must successfully complete or satisfy all our requirements and conditions (including those identified in the initial offer letter) before VDH will authorize finalization of the principal forgiveness agreement. In accordance with the Drinking Water State Revolving Fund Program

Design Manual, VDH reserves the right to by-pass any project that has not executed the assistance agreements/ initiated construction within 12 months of the original award date.

VDH also requires regular updates on the commitments you have made in response to our initial offer including any adjustments of user rates.

Any increase or decrease in BIL funding assistance necessary for the project must be requested in writing. VDH is committing these funds and assistance to help you finalize the project. I encourage you to proceed in earnest by completing any requirements necessary for the administrative loan closing.

Your priority contact for this project is Tamara Anderson, VDH-FCAP Project Manager. The FCAP Project Manager will act as “gatekeeper” and is to receive all project information and requests from you. She may be contacted directly at 804-370-2439 or at tamara.anderson@vdh.virginia.gov. Please include your project name and project number on all correspondence.

On behalf of VDH and ODW, I congratulate you and look forward to a successful project.

Sincerely,

DocuSigned by:

2/15/2024 | 2:23:10 PM EST



8C1C79E9EDA547F...

Kelly Ward, Director

Financial & Construction Assistance Programs

Ec: Ray Weiland, P.E., Deputy Field Director, Danville Field Office
Keith Kornegay, P.E., FCAP Project Team Leader
Tamara Anderson, FCAP Project Manager, Danville Field Office
Howard Eckstein, FCAP Project Officer, Richmond Central Office
Joe Bergeron, VRA, Director of Financial Services and Investments
FCAP Project File @ Richmond Central Office



COMMONWEALTH of VIRGINIA

Department of Health
P O BOX 2448
RICHMOND, VA 23218

TTY 7-1-1 OR
1-800-828-1120

Karen Shelton, MD
Acting State Health Commissioner

November 27, 2023

Subject: City of Danville
Water - City of Danville
Lead Service Line Inventory
BIL-29L-22

Sent via Electronic Mail

Mr. Jason Grey, Director of Utilities
City of Danville
1040 Monument Street
Danville, Virginia 24541

Re: FY 2022 Bipartisan Infrastructure Law (BIL)
BIL Award

Dear Mr. Grey:

The Virginia Department of Health has received your letter dated September 13, 2023, accepting our funding offer and conditions as identified in our September 13, 2023, initial offer letter. Your project is being included in this year's draft intended funding list. **The total BIL funding package for your project is \$250,000. The funding package consists of \$250,000 as principal forgiveness.**

The VDH Division of Financial & Construction Assistance Programs (FCAP) administers BIL funds. You must successfully complete or satisfy all our requirements and conditions (including those identified in the initial offer letter) before VDH will authorize finalization of the principal forgiveness agreement. In accordance with the Drinking Water State Revolving Fund Program Design Manual, VDH reserves the right to by-pass any project that has not executed the assistance agreements/ initiated construction within 12 months of the original award date.

VDH also requires regular updates on the commitments you have made in response to our initial offer including any adjustments of user rates.

Any increase or decrease in BIL funding assistance necessary for the project must be requested in writing. VDH is committing these funds and assistance to help you finalize the project. I encourage you to proceed in earnest by completing any requirements necessary for the administrative loan closing.

Your priority contact for this project is Tamara Anderson, VDH-FCAP Project Manager. The FCAP Project Manager will act as “gatekeeper” and is to receive all project information and requests from you. She may be contacted directly at 804-370-2439 or at tamara.anderson@vdh.virginia.gov. Please include your project name and project number on all correspondence.

Your coordinator for other types of VDH assistance related to building technical, managerial, and financial capacity for your waterworks and for training opportunities is Jeanean Francis, VDH-ODW Sustainability Coordinator, who may be contacted directly at 804-292-5681 or at jeanean.bustamante@vdh.virginia.gov.

On behalf of VDH and ODW, I congratulate you and look forward to a successful project.

Sincerely,

DocuSigned by:

8C1C79E9EDA547F...

11/27/2023 | 10:08:00 AM EST

Kelly Ward, Director
Financial & Construction Assistance Programs

Ec: Ray Weiland, P.E., Deputy Field Director, Danville Field Office
Keith Kornegay, P.E., FCAP Project Team Leader
Tamara Anderson, FCAP Project Manager
Jeanean Francis, ODW Sustainability Coordinator
Joe Bergeron, VRA, Director of Financial Services and Investments
FCAP Project File @ Richmond Central Office

Council Letter
City of Danville, Virginia



CL - 1731

APPOINTMENTS A.

City Council REGULAR MEETING

Meeting Date: November 19, 2024

Subject: Appointments to Boards and Commissions.

From: Susan DeMasi, City Clerk

COUNCIL ACTION

Consideration of Appointments to the following Board:

1. A Resolution Reappointing T. Neal Morris to the Industrial Development Authority.
2. A Resolution Reappointing Russell Reynolds to the Industrial Development Authority.

Attachments

1. Resolutions
-

PRESENTED: _____

ADOPTED: _____

RESOLUTION NO. 2024 – ____.

**A RESOLUTION REAPPOINTING T. NEAL MORRIS AS A MEMBER OF THE
INDUSTRIAL DEVELOPMENT AUTHORITY.**

BE IT RESOLVED by the Council of the City of Danville, Virginia, that T. Neal Morris be, and he is hereby reappointed as a member of the Industrial Development Authority for a four-year term commencing November 21, 2024 and ending November 20, 2028.

APPROVED:

MAYOR

ATTEST:

CITY CLERK

PRESENTED: _____

ADOPTED: _____

RESOLUTION NO. 2024 – ____.

**A RESOLUTION REAPPOINTING RUSSELL REYNOLDS AS A MEMBER OF
THE INDUSTRIAL DEVELOPMENT AUTHORITY.**

BE IT RESOLVED by the Council of the City of Danville, Virginia, that Russell Reynolds be, and he is hereby reappointed as a member of the Industrial Development Authority for a four-year term commencing November 21, 2024 and ending November 20, 2028.

APPROVED:

MAYOR

ATTEST:

CITY CLERK

Council Letter City of Danville, Virginia



CL - 1597

OLD BUSINESS A.

City Council REGULAR MEETING

Meeting Date: November 19, 2024

Subject: Consideration of Authorizing the Issuance of Bonds of the City of Danville, Virginia.

From: Michael Adkins, Chief Financial Officer

COUNCIL ACTION

An Ordinance Authorizing the Issuance of Bonds of the City of Danville, Virginia, in the Maximum Aggregate Principal Amount of \$16,000,000 to Finance the Acquisition, Construction and Equipping of Various Capital Projects.

FINAL ADOPTION

SUMMARY

The City's Charter grants the ability to issue bonds, within a specified annual limit, without a referendum. Each year's bond capacity may carry forward to the next fiscal year, if the authorization is granted by Council prior to June 30. Approving the attached Ordinance does not allow the City to issue debt, it only reserves the capacity to issue debt based on the Fiscal Year 2025 legal limits for issuing debt without a referendum. This capacity is only available from now until the end of the subsequent fiscal year (June 30, 2026). Council would need to approve a Resolution for the issuance or refunding of debt before the City can actually issue debt. A separate Resolution will be presented at a future meeting for approval in order to issue new bonds to finance the FY 2025 Capital Improvement Plan in accordance with Council's adopted budget for Fiscal Year 2025.

BACKGROUND

The City's Charter grants the ability to issue up to \$6,000,000 principal amount of bonds to finance any capital expenditures other than expenditures relating to the City's water, sewer, gas, and/or electric systems. Further, the Charter grants authority to issue up to \$10,000,000 principal amount of bonds to finance capital expenditures related to the City's water, sewer, gas, and electrical systems, or other specific undertakings from which a revenue may be derived. The Charter also allows an additional \$25,000,000 in principal amount of bonds to be issued to finance capital expenditure relating to the City's water treatment, wastewater treatment, storm water treatment, solid waste disposal, or recycling facilities, and any extraordinary maintenance improvements or expansion of transmission and distribution infrastructure for the electric or gas systems. Each of the amounts may be authorized annually without referendum and may carry forward one fiscal year, if authorized prior to June 30.

The Fiscal Year 2025 budget for capital projects includes potential bond financing of approximately \$6 million of general governmental projects and \$10 million of utility projects. The passing of this Ordinance will allow access to the borrowing capacity needed to finance these approved projects, but does not actually authorize the issuance of the bonds. A separate Resolution to authorize bonds will need to be approved in order to issue the debt.

RECOMMENDATION

It is recommended City Council approve the attached Ordinance authorizing utilization of the City's Fiscal Year 2025 borrowing capacity to issue General Obligation bonds of the City of Danville, Virginia, that will potentially utilize up to \$6,000,000 of the FY 2025 capacity, pursuant to Section 9-7A of the City Charter, as well as utilize up to \$10,000,000 of the FY 2025 capacity, pursuant to Section 9-7D of the City Charter

Attachments

1. Ordinance
-

PRESENTED: November 5, 2024

ADOPTED: November 19, 2024

ORDINANCE NO. 2024 - ____.

AN ORDINANCE AUTHORIZING THE ISSUANCE OF BONDS OF THE CITY OF DANVILLE, VIRGINIA, IN THE MAXIMUM AGGREGATE PRINCIPAL AMOUNT OF \$16,000,000 TO FINANCE THE ACQUISITION, CONSTRUCTION AND EQUIPPING OF VARIOUS CAPITAL PROJECTS.

WHEREAS, Section 9-7A of the City Charter allows the City of Danville, Virginia (the "City"), to issue each fiscal year up to \$6,000,000 principal amount of bonds to finance any capital expenditures other than for capital expenditures relating to the City's water, sewer, gas and/or electric systems, without submitting the question of their issuance to the voters; and

WHEREAS, the Council of the City (the "Council") has not authorized or issued any bonds pursuant to Section 9-7A for the fiscal year that began July 1, 2024, and the Council now desires to authorize the issuance of up to \$6,000,000 principal amount of bonds in accordance with such Charter provision; and

WHEREAS, Section 9-7D of the City Charter allows the City to issue each fiscal year up to \$10,000,000 principal amount of bonds to finance capital expenditures relating to the City's water, sewer, gas and electric systems or other specific undertaking or undertakings from which the City may derive a revenue, without submitting the question of their issuance to the voters; and

WHEREAS, the Council has not authorized or issued any bonds pursuant to Section 9-7D for the fiscal year that began July 1, 2024, and the Council now desires to authorize the issuance of up to \$10,000,000 principal amount of bonds in accordance with such Charter provision.

NOW THEREFORE, BE IT ORDAINED by the Council of the City of Danville, Virginia, that:

1. It is determined to be necessary and expedient for the City to plan, design, acquire, construct, extend, renovate and/or improve the Projects described below, all of which are determined to promote the development and public welfare of the City, to borrow money for such purposes and to issue the City's bonds therefor.

2. Pursuant to Section 9-7A of the City Charter, there are authorized to be issued general obligation bonds in the maximum principal amount of \$6,000,000 to finance and pay, together with other available funds, the costs to plan, design, acquire, construct, extend, renovate and/or improve: (a) parks and recreational facility improvements, (b) fire and police equipment, (c) information technology software and equipment, (d) public building improvements (including, without limitation, roof, elevator and HVAC improvements), (e) acquisition and installation of emergency generators, (f) sidewalk, street and parking lot improvements, (g) capital improvements for the municipal airport, (h) stormwater system upgrades, and (i) any other capital expenditures (other than for capital expenditures relating to the City's water, sewer, gas and/or electric systems) (collectively, the "9-7A Project"). Proceeds of the bonds may be applied to pay, in addition to 9-7A Project costs, related financing and issuance costs. Such bonds may be issued as one or more separate issues or may be combined with bonds authorized for other purposes and issued as a single issue.

3. Pursuant to Section 9-7D of the City Charter, there are authorized to be issued general obligation and/or revenue bonds in the maximum principal amount of \$10,000,000 to finance and pay, together with other available funds, the costs to plan, design, acquire, construct, extend, renovate and/or improve: (a) distribution and treatment infrastructure improvements for the water system, (b) substations and distribution infrastructure improvements for the electric system, and (c) any other capital expenditures relating to the City's water, sewer, gas and/or electric systems or other specific undertaking or undertakings from which the City may derive a revenue (collectively, the "9-7D Project" and, together with the 9-7A Project, the "Projects"). Proceeds of the bonds may be applied to pay, in addition to 9-7D Project costs, related financing and issuance costs. Such bonds may be issued as one or more separate issues or may be combined with bonds authorized for other purposes and issued as a single issue.

4. The bonds shall conform to Section 9-5 of the City Charter and shall bear such date or dates, mature at such time or times, bear interest at such rate or rates, be in such denominations and form, be executed in such manner, and be sold at such time or times and in such manner as the Council shall hereafter provide by appropriate resolution or resolutions. All bonds issued to finance capital expenditures shall be made payable within the average probable period of usefulness of the improvements or undertakings to be financed. The Council shall make such determinations pursuant to such resolution or resolutions.

5. As determined by Council pursuant to subsequent resolution, the bonds shall be issued as general obligations of the City to which the City's full faith and credit shall be irrevocably pledged, or, in the alternative for purposes of financing the 9-7D Project, the bonds may be issued as revenue obligations to which the revenues derived from any such specified undertakings shall be irrevocably pledged.

6. The City Clerk, in collaboration with the City Attorney, is authorized and directed to see to the immediate filing of a certified copy of this Ordinance in the Circuit Court of the City of Danville.

7. This Ordinance shall take effect immediately.

Approved:

Mayor

Attest:

City Clerk

Approved as to
Form and Legal Sufficiency:

City Attorney

Council Letter
City of Danville, Virginia



CL - 1506

NEW BUSINESS A.

City Council REGULAR MEETING

Meeting Date: November 19, 2024

Subject: Review of General Fund Financials.

From: Michael Adkins, Chief Financial Officer

COUNCIL ACTION

Review of General Fund Financials as of October 31, 2024. Financial Statements are included.

Attachments

1. Financial Statements
-



CITY OF DANVILLE

Department of Finance

To: Ken F. Larking, City Manager

From: Michael L. Adkins, Chief Financial Officer

Date: November 12, 2024

Subject: Summary of Preliminary General Fund Financial Results for October 31, 2024

After completing the first four months of the new fiscal year, revenues are tracking well with budget and are ahead of the previous year. As of October 31, General Fund revenues were \$36,757,330. This represents 22.5% of our FY 2025 budget. Last year at this time, the General Fund had collected \$34,385,935 or 27% of budget. The increase over the prior year is primarily from growth in local taxes, as well as an increase in state categorical aid due to timing differences.

We continue to see steady performance in the collection of delinquent real estate taxes with \$683,007 realized in the first four months of this fiscal year. This accounts for 40% of the current year budget. Tax bills for FY 2025 were mailed October 31 and are due December 5th. We should begin realizing collection of current real estate and personal property taxes within the next few weeks. Local taxes collected through October 31, were \$13,115,766, or 27% of budget. This exceeds FY 2025 collections by \$882,791. More than half, or \$563,000, of this increase is related to sales tax payments. The remaining increase is found in other sources of local taxes.

Regarding local taxes, sales tax collections through October amounted to \$4,750,697, or 37% of budget. Meals taxes collected for the first four months of the fiscal year amounted to \$4,238,182 or 35% of budget, an increase of \$166,000 from last year. Business Licenses realized at the end of October were \$716,681, an increase of \$150,000 from the prior year. Lodging taxes received as of October 31, were \$1,219,137 or 35% of budget, an increase of \$37,000 from the prior year. All other revenue categories are tracking well with budget at this point.

Expenditures through October 31 were \$66,734,196 or 39% of budget. This is an overall increase of \$7.7 million when compared to October 31, 2023. Departmental spending for the first four months of the fiscal year amounted to \$31.3 million or 31% of budget, an increase of \$3.1 million over the prior year. The increase in departmental spending is primarily attributed to an increase in salaries and benefits over the prior year along with the debt service for the police headquarters. The remaining overall increase is attributable to increased transfers to Danville Public Schools related to FY 2024 commitments that were encumbered at June 30, 2024 along

DANVILLE, VA

with an increase in Non-Departmental expenditures due to an increase in health insurance expenses.

Fund expenditures exceeded revenues by \$29,976,867. This is typical for the start of the fiscal year in the General Fund due to the timing of revenue recognition not being matched to expenditures. At this point, the General Fund is performing well compared to the current budget.

CITY OF DANVILLE, VIRGINIA

GENERAL FUND REPORT

33% OF YEAR LAPSED AS OF OCTOBER 31, 2024

PRE-CLOSING FIGURES - SUBJECT TO CHANGE - UNAUDITED

	Budgets & Appropriations For Current Year	Actual Revenues & Expenditures For Year-to-Date	Percent Realized/Expended This Year	Encumbrances	Balance to be Realized/Expended	Actual Revenues & Expenditures At This Date Last Year
REVENUES:						
Property Taxes	\$ 43,200,280	\$ 3,033,564	7.02%		\$ 40,166,716	\$ 2,683,428
Other Local Taxes	48,927,800	13,115,766	26.81%		35,812,034	12,232,975
License Permits & Privilege Fees	571,060	208,803	36.56%		362,257	265,125
Fines & Forfeitures	213,000	65,759	30.87%		147,241	66,421
Revenue From Use Money & Property	3,255,050	1,391,725	42.76%		1,863,325	1,610,524
Charges For Services	3,478,715	1,441,815	41.45%		2,036,900	1,227,875
Miscellaneous Revenue	25,100	101,109	402.82%		(76,009)	95,512
Recovered Cost	9,940,677	2,299,672	23.13%		7,641,004	2,117,429
Non-Categorical Aid	21,884,000	4,110,806	18.78%		17,773,194	4,080,829
Shared Expenses (Categ. Aid State)	6,795,830	2,594,195	38.17%		4,201,635	1,841,053
Categorical Aid (State)	9,845,375	3,198,115	32.48%		6,647,260	2,968,765
Emergency Services (Federal)	27,000	-	0.00%		27,000	-
Categorical Aid (Federal)	-	-	0.00%		-	-
Transfers From Utilities	15,588,000	5,196,000	33.33%		10,392,000	5,196,000
TOTAL REVENUES	\$ 163,751,887	\$ 36,757,330	22.45%		\$ 126,994,557	\$ 34,385,935
EXPENDITURES:						
General Government Administration	\$ 16,892,188	\$ 6,235,074	36.91%	\$ 600,035	\$ 10,057,079	\$ 5,433,116
Judicial Administration	9,934,565	3,046,809	30.67%	131,971	6,755,785	2,846,741
Public Safety	44,340,122	13,712,777	30.93%	341,706	30,285,639	12,482,006
Public Works	6,109,775	1,751,425	28.67%	208,917	4,149,432	1,501,049
Health, Education, Welfare & Soc. Svc.	9,974,331	2,577,103	25.84%	70,513	7,326,715	2,530,949
Parks, Recreation & Cultural	7,534,280	2,138,685	28.39%	62,032	5,333,563	1,909,748
Community Development	4,689,208	1,815,215	38.71%	140,492	2,733,502	1,512,254
Non-Departmental	16,183,614	6,635,921	41.00%	-	9,547,692	5,513,628
Transfer to Schools - Operating	33,088,691	28,058,001	84.80%	871,378	4,159,311	24,550,785
Transfer to Capital Projects	18,603,653	30,000	0.16%	-	18,573,653	-
Transfer to Other Funds	3,762,180	733,186	19.49%	-	3,028,994	770,150
TOTAL EXPENDITURES	\$ 171,112,605	\$ 66,734,196	39.00%	\$ 2,427,044	\$ 101,951,365	\$ 59,050,426
Revenue over(under) Expenditures		<u>\$ (29,976,867)</u>				<u>\$ (24,664,491)</u>
FUND BALANCE:						
Beginning Fund Balance 07/01/2024		\$ 63,976,787				\$ 55,064,111
Revenue over(under) Expenditures		(29,976,867)				(24,664,491)
Ending Fund Balance 10/31/2024		<u>\$ 33,999,920</u>				<u>\$ 30,399,621</u>
Composition of Fund Balance:						
Reserved for Encumbrances/Designated Funds		\$ 10,378,339				\$ 6,321,444
Unassigned		23,621,581				24,078,177
TOTAL FUND BALANCE 10/31/2024		<u>\$ 33,999,920</u>				<u>\$ 30,399,621</u>

**CITY OF DANVILLE, VIRGINIA
GENERAL FUND
COMPOSITION OF FUND BALANCE
PRELIMINARY - AS OF OCTOBER 31, 2024**

Beginning Total Fund Balance, July 1, 2024	63,976,786.58
Add: General Fund Revenues	36,757,329.75
Deduct: General Fund Expenditures	<u>(66,734,196.29)</u>
Ending Total Fund Balance, June 30, 2025	<u><u>33,999,920.04</u></u>

Composition of Fund Balance:

Restricted for Commonwealth Attorney	119,409.38
Restricted for Police Department	104,909.96
Restricted for Fire Department	151,554.63
Committed for Sheriff's Department	14,173.97
Committed to Schools	871,378.23
Committed to Budget Stabilization	3,000,000.00
Assigned to Sheriff's Department	15,575.55
Assigned to Community Development	117,616.31
Assigned for Encumbrances	1,555,665.82
Assigned Casino Revenue	4,000,000.00
Nonspendable (Inventory and Prepaids)	428,055.49
UNASSIGNED	<u>23,621,580.70</u>
Total Fund Balance, June 30, 2025	<u><u>33,999,920.04</u></u>

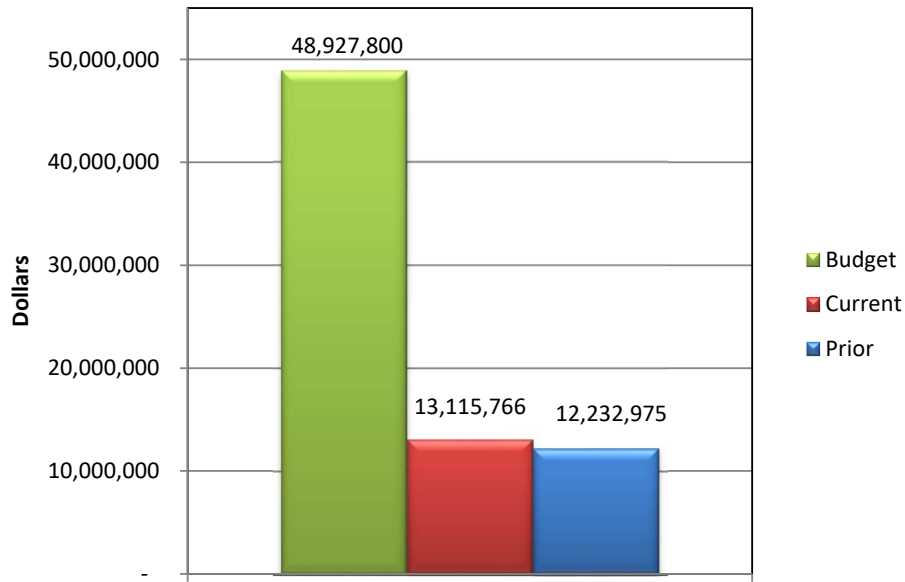
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Unassigned fund balance from above	23,621,580.70
Unassigned Minimum per policy (25% of General Fund Operating Revenues) based on FY 2025 budget	<u>40,937,971.65</u>
Current surplus (deficit) over (under) minimum	(17,316,390.95)

City of Danville, Virginia
Summary of Other Local Tax Revenues - PRE-CLOSING - UNAUDITED
For the period ending October 31, 2024

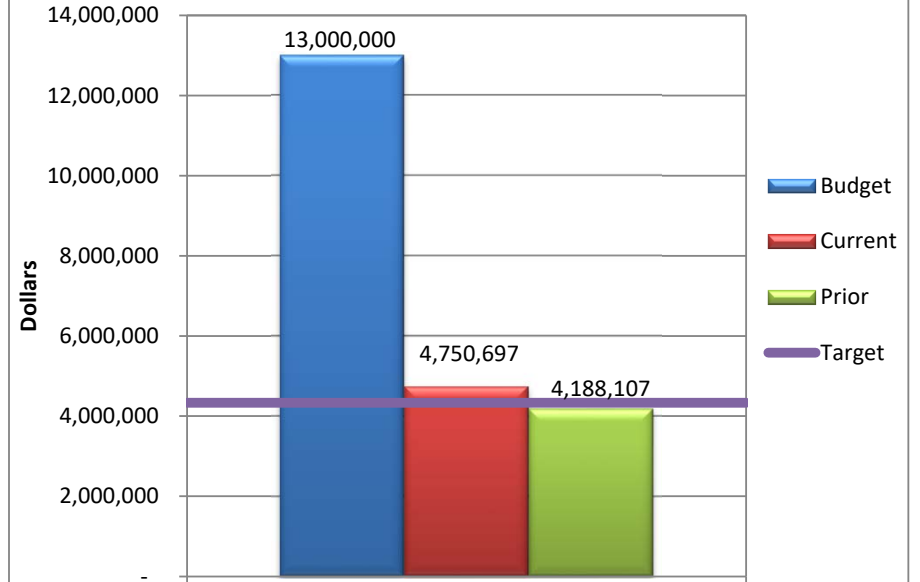
Description	Current Budget	Revenue Realized	Percentage Realized	Prior Year Budget	Prior Year Realized	Percentage Prior Year
Sales Tax	\$ 13,000,000	\$ 4,750,697	36.54%	\$ 11,400,000	\$ 4,188,107	36.74%
Business Licenses	7,642,000	716,681	9.38%	6,800,000	566,579	8.33%
Meals Tax	12,100,000	4,238,182	35.03%	10,867,220	4,072,683	37.48%
Utility Taxes	930,000	314,099	33.77%	930,000	303,062	32.59%
Vehicle License Fees	1,025,000	161,973	15.80%	1,000,000	160,796	16.08%
Bank Stock Tax	1,100,000	-	0.00%	1,000,000	-	0.00%
Recordation Tax	370,000	131,789	35.62%	270,000	104,485	38.70%
Hotel Motel Tax	3,525,000	1,219,137	34.59%	2,467,230	1,182,634	47.93%
Daily Property Rental Tax	20,800	32,703	157.23%	15,980	10,463	65.48%
Motor Vehicle Tax	240,000	56,911	23.71%	200,000	83,013	41.51%
DMV Fees	275,000	55,123	20.04%	280,000	56,591	20.21%
Ceasars Min Fee	8,700,000	1,438,471	16.53%	5,000,000	1,504,561	0.00%
TOTAL	\$ 48,927,800	\$ 13,115,766	26.81%	\$ 40,230,430	\$ 12,232,975	30.41%

Local Taxes



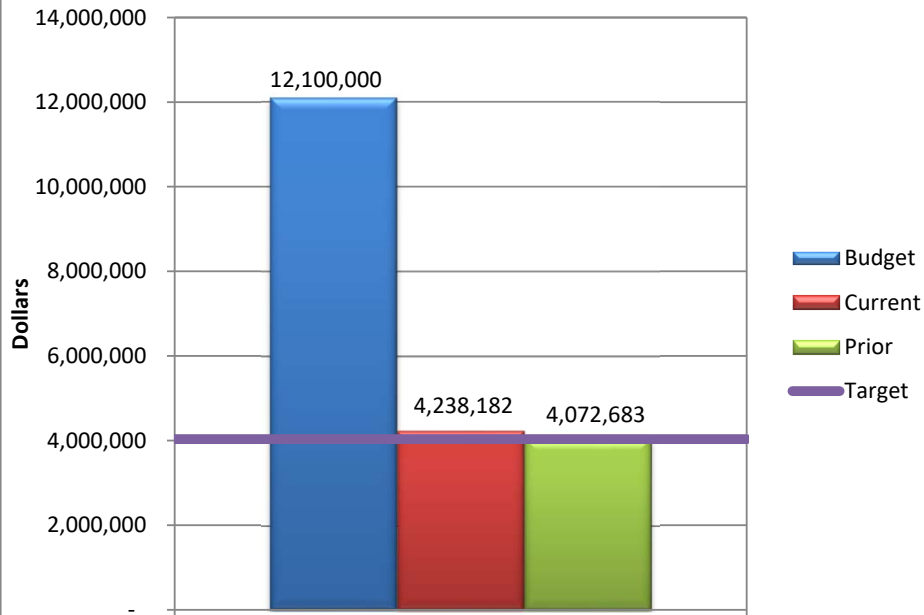
As of October 31, 2024

Sales Tax



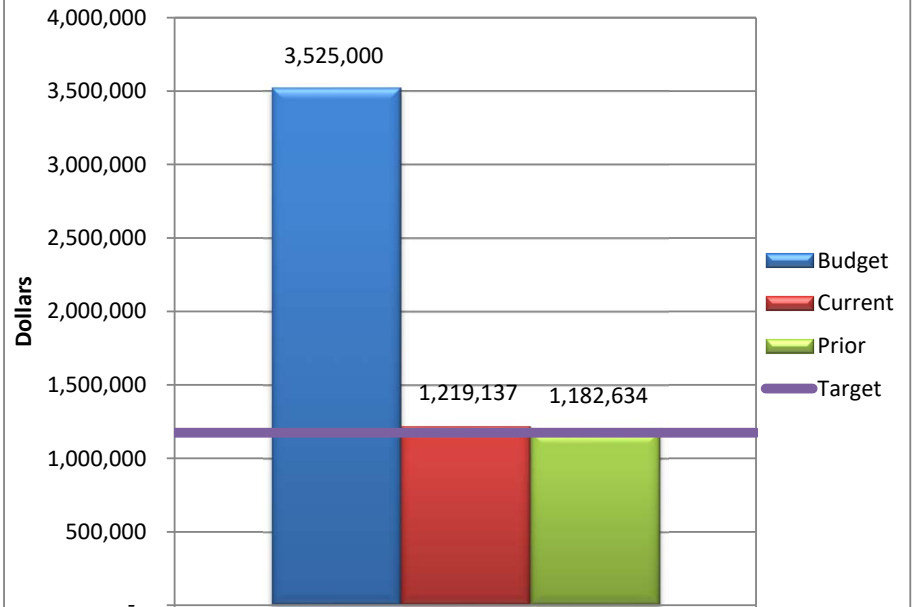
As of October 31, 2024

Meals Tax

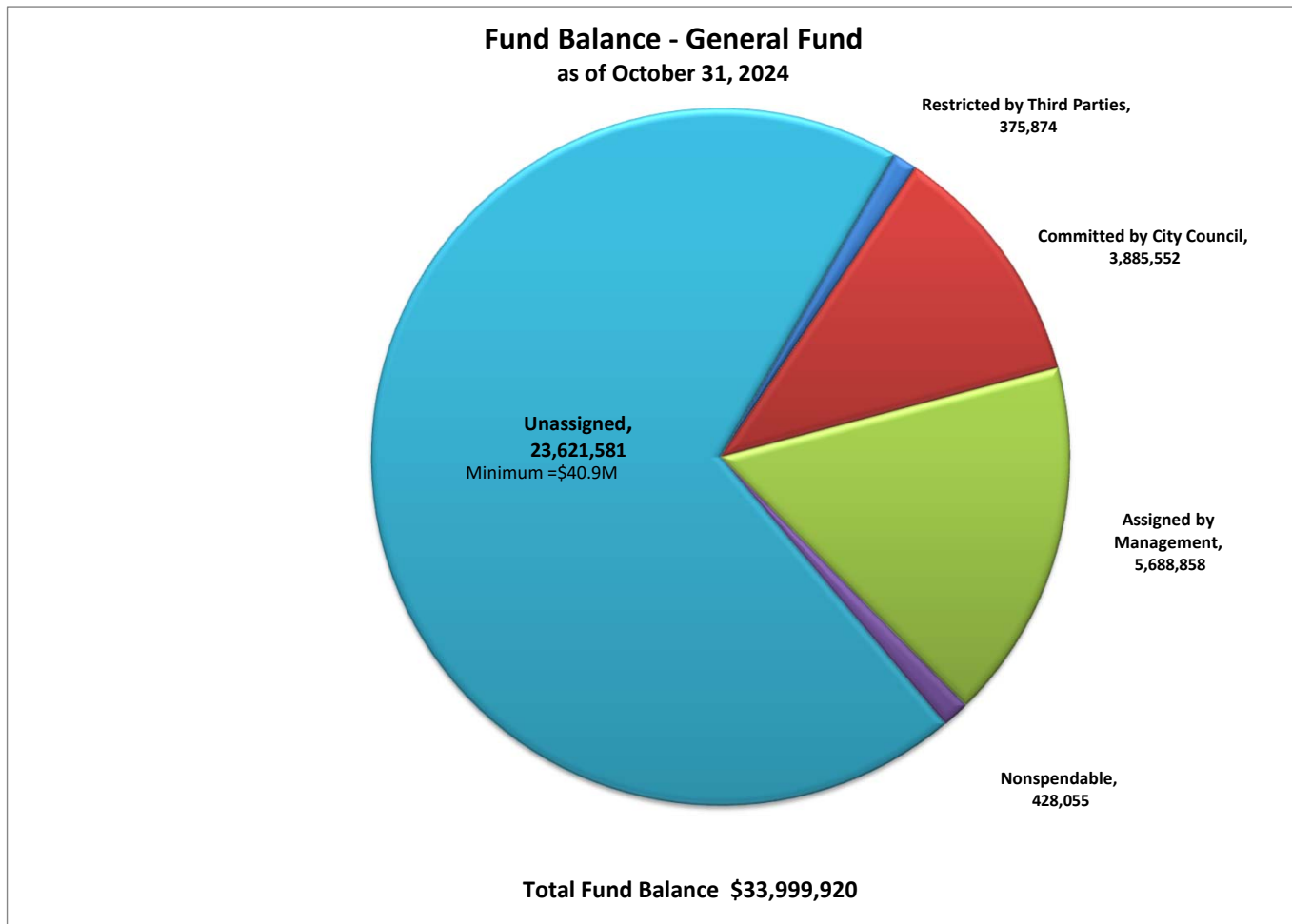
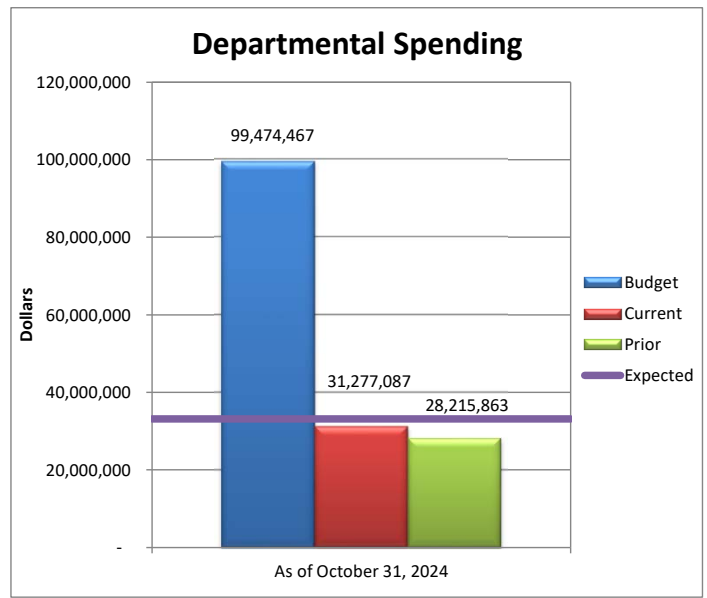
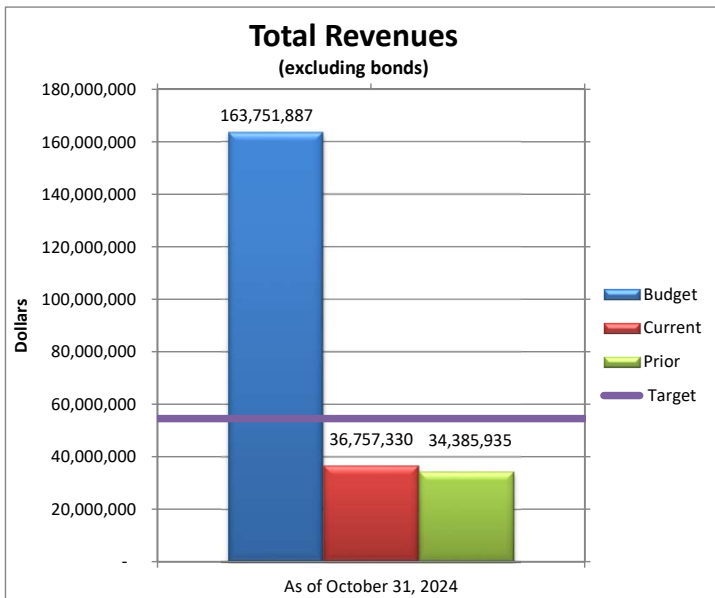


As of October 31, 2024

Lodging Tax



As of October 31, 2024



Council Letter City of Danville, Virginia



CL - 1662

NEW BUSINESS B.

City Council REGULAR MEETING

Meeting Date: November 19, 2024

Subject: VDOT Funding Applications.

From: Brian Dunevant, Assistant Director of Public Works | City Engineer

COUNCIL ACTION

1. A Resolution of the City Council of the City of Danville, Virginia Endorsing a Fiscal Year 2026 Virginia Highway Safety Improvement Program Application.
2. A Resolution of the City Council of the City of Danville, Virginia Endorsing a Fiscal Year 2026 Application for the State of Good Repair Primary Extensions Program.
3. A Resolution of the City Council of the City of Danville, Virginia Endorsing a Fiscal Year 2026 Application for the State of Good Repair Locally Owned Bridges Program.

SUMMARY

The Public Works Department is submitting three project funding requests to the Virginia Department of Transportation (VDOT) for three separate programs that are currently accepting applications. It is expected that successful applications will be announced in June 2025. VDOT requires a support resolution, for each application, from the local governing body.

The three programs, and their applications, are as follows:

Highway Safety Improvement Program - Pedestrian safety improvements on Nor Dan Drive at Walmart Neighborhood Market and on North Main Street at Franklin Turnpike.

State of Good Repair Program for Primary Extensions - Maintenance resurfacing on Franklin Turnpike and North Main Street.

State of Good Repair Program for Locally Owned Bridges - Maintenance work on the bridge on London Bridge Drive over Pumpkin Creek.

BACKGROUND

The Virginia Department of Transportation (VDOT) offers various funding opportunities to localities for different types of transportation projects. Applications are evaluated by VDOT staff and recommendations are made to the Commonwealth Transportation Board to include selected project funding in VDOT's Six Year Improvement Program. It is expected that those recommendations will be finalized in June 2025.

RECOMMENDATION

It is recommended that City Council adopt the three attached resolutions of support for three project funding applications that are to be submitted to the Virginia Department of Transportation.

Attachments

1. Resolution - Highway Safety Improvement Program
 2. Resolution - State of Good Repair
 3. Resolution - State of Good Repair - Bridges
-

PRESENTED: November 19, 2024

ADOPTED: November 19, 2024

RESOLUTION NO. 2024-____.

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF DANVILLE, VIRGINIA ENDORSING A FY2026 VIRGINIA HIGHWAY SAFETY IMPROVEMENT PROGRAM APPLICATION.

WHEREAS, in accordance with the Commonwealth Transportation Board construction allocation procedures, it is necessary that a support resolution be received from the sponsoring local jurisdiction or agency requesting the Virginia Department of Transportation (VDOT) to establish a project in the City of Danville; and

WHEREAS, the City of Danville is requesting a highway safety project, through the Highway Safety Improvement Program, for pedestrian safety improvements at two locations: Nor Dan Drive at Walmart Neighborhood Market and North Main Street at Franklin Turnpike.

NOW THEREFORE, BE IT RESOLVED, by the Council of the City of Danville, Virginia, that the City Council endorses a Virginia Highway Safety Improvement Program Application and requests the Commonwealth Transportation Board and VDOT to establish a project for pedestrian safety improvements at two locations: Nor Dan Drive at Walmart Neighborhood Market and North Main Street at Franklin Turnpike; and

BE IT FURTHER RESOLVED that the City of Danville hereby agrees to enter into a project administration agreement with VDOT and provide the necessary oversight to ensure the project is developed in accordance with all applicable federal, state, and local requirements for design and construction of the project; and

BE IT FURTHER RESOLVED that the City of Danville will be responsible for maintenance and operating costs of the facilities as constructed unless other arrangements have been made with VDOT; and

BE IT FURTHER RESOLVED that, if the City of Danville subsequently elects to cancel the project, the City of Danville hereby agrees to reimburse VDOT for the total amount of costs expended by VDOT through the date VDOT is notified of such cancellation, and that the City of Danville also agrees to repay any funds previously reimbursed that are later deemed ineligible by the Federal Highway Administration or VDOT; and

BE IT FINALLY RESOLVED that the City Council of the City of Danville hereby grants authority for the City Manager to apply for funds and to execute project administration agreements, as well as other documents necessary for approved projects.

APPROVED:

Mayor

ATTEST:

Clerk

Approved as to
Form and Legal Sufficiency:

City Attorney

Attest: _____
SUSAN M. DEMASI, CITY CLERK

ALONZO JONES, MAYOR

In my capacity as the duly appointed Clerk of the City of Danville, I hereby certify that Resolution # _____ which is hereto attached, was adopted at a duly called and constituted meeting of the City of Danville held at the Municipal Building at 427 Patton Street on _____. Said meeting was called to order by Mayor Alonzo Jones at 7:00pm with the following members present who remained in attendance throughout and constituted a quorum:

The City Council of the City of Danville voted unanimously to adopt attached Resolution # _____.

Given under my hand this _____ day of _____.

SUSAN M. DEMASI, CITY CLERK

STATE OF VIRGINIA
CITY OF DANVILLE

Attested Photocopy:

On this _____ day of _____, I Susan DeMasi, attest that the preceding document is a true, exact. Complete and unaltered photocopy made by me of Resolution # _____.

SUSAN M. DEMASI, CITY CLERK

PRESENTED: November 19, 2024

ADOPTED: November 19, 2024

RESOLUTION NO. 2024-____.

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF DANVILLE, VIRGINIA ENDORSING A FY2026 APPLICATION FOR THE STATE OF GOOD REPAIR PRIMARY EXTENSIONS PROGRAM.

WHEREAS, in accordance with the Commonwealth Transportation Board construction allocation procedures, it is necessary that a support resolution be received from the sponsoring local jurisdiction or agency requesting the Virginia Department of Transportation (VDOT) to establish a project in the City of Danville; and

WHEREAS, the City of Danville is requesting primary extension projects be established, through the State of Good Repair Primary Extensions Program, for resurfacing various approved primary roads in the City of Danville.

NOW THEREFORE, BE IT RESOLVED, by the Council of the City of Danville, Virginia, that the City Council endorses a State of Good Repair Primary Extensions Program application, and requests the Commonwealth Transportation Board and VDOT to establish projects for resurfacing various approved primary roads in the City of Danville; and

BE IT FURTHER RESOLVED that the City of Danville hereby agrees to enter into a project administration agreement with VDOT and provide the necessary oversight to ensure the project is developed in accordance with all applicable federal, state, and local requirements for design and construction of the project; and

BE IT FURTHER RESOLVED that the City of Danville will be responsible for maintenance and operating costs of the facilities as constructed unless other arrangements have been made with VDOT; and

BE IT FURTHER RESOLVED that if the City of Danville subsequently elects to cancel the project, the City of Danville hereby agrees to reimburse VDOT for the total amount of costs expended by VDOT through the date VDOT is notified of such cancellation, and that the City of Danville also agrees to repay any funds previously reimbursed that are later deemed ineligible by the Federal Highway Administration or VDOT; and

BE IT FINALLY RESOLVED that the City Council of the City of Danville hereby grants authority for the City Manager to apply for funds and to execute project administration agreements, as well as other documents necessary for approved projects.

APPROVED:

Mayor

ATTEST:

City Clerk

Approved as to
Form and Legal Sufficiency:

City Attorney

Attest: _____
SUSAN M. DEMASI, CITY CLERK

ALONZO JONES, MAYOR

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The City Council of the City of Danville voted unanimously to adopt attached Resolution # _____.

Given under my hand this _____ day of _____.

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STATE OF VIRGINIA
CITY OF DANVILLE

Attested Photocopy:

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SUSAN M. DEMASI, CITY CLERK

PRESENTED: November 19, 2024

ADOPTED: November 19, 2024

RESOLUTION NO. 2024-____.____

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF DANVILLE, VIRGINIA ENDORSING A FY2026 APPLICATION FOR THE STATE OF GOOD REPAIR LOCALLY OWNED BRIDGES PROGRAM.

WHEREAS, in accordance with the Commonwealth Transportation Board construction allocation procedures, it is necessary that a support resolution be received from the sponsoring local jurisdiction or agency requesting the Virginia Department of Transportation (VDOT) to establish a project in the City of Danville; and

WHEREAS, the City of Danville is requesting a bridge project be established through the State of Good Repair Locally Owned Bridges Program for the bridge on London Bridge Drive over Pumpkin Creek.

NOW THEREFORE, BE IT RESOLVED, by the Council of the City of Danville, Virginia, that the City Council endorses a State of Good Repair Locally Owned Bridges Program application, and requests the Commonwealth Transportation Board and VDOT to establish a project for the bridge on London Bridge Drive over Pumpkin Creek; and

BE IT FURTHER RESOLVED that the City of Danville hereby agrees to enter into a project administration agreement with VDOT and provide the necessary oversight to ensure the project is developed in accordance with all applicable federal, state, and local requirements for design and construction of the project; and

BE IT FURTHER RESOLVED that the City of Danville will be responsible for maintenance and operating costs of the facilities as constructed unless other arrangements have been made with VDOT; and

BE IT FURTHER RESOLVED that, if the City of Danville subsequently elects to cancel the project, the City of Danville hereby agrees to reimburse VDOT for the total amount of costs expended by VDOT through the date VDOT is notified of such cancellation and that the City of Danville also agrees to repay any funds previously reimbursed that are later deemed ineligible by the Federal Highway Administration or VDOT; and

BE IT FINALLY RESOLVED that the City Council of the City of Danville hereby grants authority for the City Manager to apply for funds and to execute project administration agreements, as well as other documents necessary for approved projects.

APPROVED:

Mayor

ATTEST:

City Clerk

Approved as to
Form and Legal Sufficiency:

City Attorney

Attest: _____
SUSAN M. DEMASI, CITY CLERK

ALONZO JONES, MAYOR

In my capacity as the duly appointed Clerk of the City of Danville, I hereby certify that Resolution # _____ which is hereto attached, was adopted at a duly called and constituted meeting of the City of Danville held at the Municipal Building at 427 Patton Street on _____. Said meeting was called to order by Mayor Alonzo Jones at 7:00pm with the following members present who remained in attendance throughout and constituted a quorum:

The City Council of the City of Danville voted unanimously to adopt attached Resolution # _____.

Given under my hand this _____ day of _____.

SUSAN M. DEMASI, CITY CLERK

STATE OF VIRGINIA
CITY OF DANVILLE

Attested Photocopy:

On this _____ day of _____, I Susan DeMasi, attest that the preceding document is a true, exact. Complete and unaltered photocopy made by me of Resolution # _____.

SUSAN M. DEMASI, CITY CLERK

Council Letter City of Danville, Virginia



CL - 1679

NEW BUSINESS C.

City Council REGULAR MEETING

Meeting Date: November 19, 2024

Subject: Tax-Exempt Status to God's Pit Crew.

From: Susan DeMasi, City Clerk

COUNCIL ACTION

1. Public Hearing
2. An Ordinance to Designate God's Pit Crew as Being Exempt from Local Real and Personal Property Taxation.

SUMMARY

God's Pit Crew has applied for tax-exempt status for the following parcels:

Parcels 56262 and 56263, corner lots on North Main Street and Parkland Drive, which according to their application, are used for volunteer parking, staff parking and fleet vehicle parking; and

Parcel 53505 at 2515 North Main Street and 132 Brentwood Drive; 2515 North Main Street has been remodeled for offices for staff and 132 Brentwood is used for the truck repair shop for service of their fleet.

BACKGROUND

In accordance with the provisions of subsection 6(A)6 of Article X of the Constitution of Virginia and Chapter 36, Article 4.1, Section 58.1-3651 of the Code of Virginia, 1950, as amended, City Council will consider applications for the designation of property as tax-exempt. The city is in receipt of an application for Tax Exempt Status from God's Pit Crew. God's Pit Crew is a non-profit, disaster response group located at 2499 North Main Street in Danville.

RECOMMENDATION

Staff makes no recommendation as tax exemption is solely a function of the Danville City Council.

Attachments

1. Ordinance
 2. Application
 3. Board List
 4. IRS documentation
 5. Audited Financials
-

PRESENTED: November 19, 2024

ADOPTED: November 19, 2024

ORDINANCE NO. 2024 - ____.

AN ORDINANCE TO DESIGNATE GOD'S PIT CREW AS BEING EXEMPT FROM LOCAL REAL AND PERSONAL PROPERTY TAXATION.

WHEREAS, God's Pit Crew has been providing services for the common good of the citizens of the City of Danville; and

WHEREAS, God's Pit Crew, is a 501(c)(3) organization established for charitable purposes; and

WHEREAS, God's Pit Crew, owns real property in the City of Danville and tangible personal property in the City of Danville; and

WHEREAS, God's Pit Crew, does not have a current alcoholic beverage license for serving alcoholic beverages for use on any property being requested to be exempt from taxation; and

WHEREAS, God's Pit Crew, asserts that no director, officer or employee of the organization is paid compensation in excess of a reasonable allowance for salaries or other compensation for other personal services with such director, officer or employee actually renders; and

WHEREAS, the net earnings of God's Pit Crew do not inure to the benefit of any specific individual but are used for the benefit of individuals which qualify for their services; and

WHEREAS, God's Pit Crew provides disaster response services; and

WHEREAS, a substantial part of the activities of God's Pit Crew does not involve carrying on propaganda or otherwise attempt to influence legislation and that God's Pit Crew does not participate or intervene in any political campaign on behalf of any candidate for public office; and

WHEREAS, in accordance with Section 37-49.2 of the Code of the City of Danville and Section 58.1-3651 of the Code of Virginia 1950, as amended, the Council of the City of Danville has advertised and conducted a public hearing on the issue of granting an exemption from local property taxes to God's Pit Crew.

THEREFORE, BE IT ORDAINED by the Council of the City of Danville, Virginia:

1. That the Council of the City of Danville, Virginia hereby designates God's Pit Crew as a charitable organization within the context of §6(a)(6) of Article X of the Constitution of Virginia; and
2. That the personal property owned by God's Pit Crew located within the City of Danville as well as its real property located at North Main Street and Parkland Drive, Parcel ID# 56262 and 56263, and 2515 North Main Street and 132 Brentwood Drive, Parcel ID# 53503 are used for charitable purposes on a nonprofit basis and are hereby exempt from local property taxation; and
3. The effective date of these exemptions shall be the 1st day of January, 2025.

APPROVED:

Mayor

ATTEST:

City Clerk

Approved as to
Form and Legal Sufficiency:

City Attorney

City of Danville, Virginia
Office Of The City Clerk

APPLICATION FOR PROPERTY TAX EXEMPTION

PROPERTY OWNER: God's Pit Crew Inc
PARCEL TAX MAP NO.: 56262 / 56263
PROPERTY ADDRESS: CORNER lots of North Main St. & Parkland Dr.
MAILING ADDRESS: 2499 N. Main St. Danville, VA. 24540
PERSONAL PROPERTY: _____
CONTACT NAME: Randy Johnson
DAYTIME TELEPHONE & FAX: 434-836-4472 / 434-836-4475 FAX

1. Is the property owner chartered or incorporated under the laws of the Commonwealth of Virginia?

YES ✓

NO _____

✓ If yes, attach a copy of the Charter or Articles of Incorporation and Bylaws or any other documents governing the property owner entity.

2. For what purpose is the owner chartered, incorporated or otherwise in existence?

FORMED AS A 501(c)(3) NON-profit disaster
Response group.

3. For what purpose is the property currently being used? Be specific. If there are several types of use, indicate such usages by areas of the buildings, floor locations and land allocations.

These lots have been recently leveled to grade and
are used for volunteer parking for our Blessing Bucket Assembly
warehouse, staff parking and ministry fleet vehicle parking.

City of Danville, Virginia
Office Of The City Clerk

APPLICATION FOR PROPERTY TAX EXEMPTION

PROPERTY OWNER: God's Pit CREW Properties LLC
PARCEL TAX MAP NO.: 53503
PROPERTY ADDRESS: 2515 N. MAIN ST. / 132 Brentwood DR
MAILING ADDRESS: 2499 N. MAIN ST. DANVILLE, VA. 24540
PERSONAL PROPERTY: _____
CONTACT NAME: RANDY JOHNSON, Ex. Director
DAYTIME TELEPHONE & FAX: 434-836-4472 / 434-836-4475 FAX

1. Is the property owner chartered or incorporated under the laws of the Commonwealth of Virginia?

YES ✓

NO _____

If yes, attach a copy of the Charter or Articles of Incorporation and Bylaws or any other documents governing the property owner entity.

2. For what purpose is the owner chartered, incorporated or otherwise in existence?

FORMED AS A 501(c)(3) NON-PROFIT DISASTER RESPONSE
GROUP.

3. For what purpose is the property currently being used? Be specific. If there are several types of use, indicate such usages by areas of the buildings, floor locations and land allocations.

2515 N. MAIN WAS REMODELED TO OFFICES TO HOUSE OUR STAFF
FOR DEVELOPEMENT PURPOSES. 132 BRENTWOOD IS THE TRUCK REPAIR
SHOP TO SERVICE / MAINTAIN OUR FLEET OF VEHICLES.

4. Does any individual or entity other than the property owner occupy or use any part of the premises?

YES _____

NO ☒ _____

If yes, provide details: _____

5. Is any income received from the use of any portion of the property considered as rent or reimbursement for services incurred?

YES _____

NO ☒ _____

If yes, provide details: _____

6. ☒ Provide a copy of the application and supporting documents submitted to the Internal Revenue Service (IRS) for 501 (c) tax-exempt status, together with copies of all responses from the IRS.
7. ☒ Provide a copy of the Internal Revenue Service (IRS) form 990, 990-EZ or 990PF together with any schedules and attachments most recently filed with the IRS for the previous calendar year or an explanation why such was not filed.
8. ☒ Attach your most recent financial statements; including where applicable, forms filed with the IRS, reflecting income and expenditures for the most current 12 month reporting period. All submitted documents will become part of this application.

The attached financial statement is for the period 01/2023 to 12/2023.

Attach a list containing the names of all trustees.

9. Does the property owner hold a current Alcoholic Beverage License for use on the subject property?

YES _____

NO ☒ _____

10. List by name, title and amount any director, officer or employee of the organization whose annual compensation is in excess of \$60,000.

RANDY JOHNSON, Executive Director, \$115,333.⁰⁰

11. Does any part of the net earnings of the property owner inure to the benefit of any individual?

YES _____

NO ☒ _____

If yes, list by name, and amount: _____

ORGANIZATION: God's Pit Crew Properties LLC

By: Officer's Name Randy Johnson

Officer's Title Executive Director

Date _____

COMMONWEALTH OF VIRGINIA
CITY OF DANVILLE

Randy Johnson (Officer's Name) being duly sworn, deposes

and states that as the Executive Director (Officer's Title) of the

God's Pit Crew Properties LLC
(Legal Name of Ownership Organization)

he or she has read this application and knows the contents thereof and that the matters stated are true.

[Signature]
(Signature of Officer)

Subscribed and sworn to before me this 24th day of July, 2024

Joinda R. Garrett
(Notary Public)

8-31-2025
(Notary Expires)

7548635
(Notary Registration Number)





STATE CORPORATION COMMISSION

Richmond, March 15, 2000

This is to Certify that the certificate of incorporation of
God's Pit Crew, Inc.

*was this day issued and admitted to record in this office and that
the said corporation is authorized to transact its business subject
to all Virginia laws applicable to the corporation and its business.
Effective date: March 15, 2000*



State Corporation Commission

Attest:

Joel H. Beck

Clerk of the Commission

Board List as of 2021

Member's Name in Bold Font

Contact Name	Primary Home Email	Positions	Primary Home Phone
Barry and Linda Armstrong	radiobarry@gmail.com	Member	434-525-6296
Danny & Kaye Marshall	dwmarshall@hotmail.com	Member	434-797-4995
Michael & Stephanie Newcomb	pastormikenewcomb@gmail.com	Treasurer	434-441-0289
Tim & Sharon Nuckles	bishoptnuckles@gmail.com	Chairman	865-307-0464
Jackie & Dawn Poe	jpoe2@me.com	Member	276-340-8531
Doug & Kathy Soyars	kigsoyars@gmail.com	Member	434-822-0475
Barry & Tamra Riddle	btebr1215@gmail.com	Member	434-489-2020
Patricia McGuire	tricia553@verizon.net	Member	434-822-5874
Pastor Tracy & Lisa Stone	tracystone@verizon.net	Vice Chairman	281-755-3790
Pastor Jonathan Falwell	jonathan@trbc.org	Member	434-582-2962
Roger & Garnette Ewing	ruger@whiteoakworship.org	Secretary	434-724-7923
Thomas and Paula Pettis	piresearch@outlook.com	Member	813-928-2079
Alex Burgos	aburgos@brooklyntab.org	Member	347-645-6048
Paul & Leigh Parker	pparker@magnetamerica.com	Member	336-339-3732
Joseph Byrd	josephbyrd@hotmail.com	Member	423-584-2226
Keith & Melissa Hawes	pastorkeith@maranathabtr.com	Member	985-474-2074
Alan Duval	jaduval@bellsouth.net	Member	770-851-7141
Sandy Hines	shines@ci.martinsville.va.us	Member	276-340-6085
Ben Webb	bwebb86@me.com	Member	276-734-0129

Board List as of 2021

Member's Name in Bold Font

Primary Mobile Phone	Primary Address Line 1	Primary Ac	Primary Ac	Primary Ac	Primary Address	Postal
434-258-9757	1151 S. Oak Lawn Dr	Forest	VA	24551		
	183 Hawthorne Dr	Danville	VA	24541-3639		
	760 West Hurst Blvd	Hurst	TX	76035		
	58 Derby Shire Ln	Martinsville	VA	24112-0295		
276-734-0374	50 Mahogany Dr	Galax	VA	24333-6263		
	4053 Westover Dr	Danville	VA	24541-6743		
	747 Stone Creek Rd	Danville	VA	24540-6033		
	4141 Birch Creek Rd	Ringgold	VA	24586		
	5574 NC-231	Middlesex	NC	27557		
	1 Mountain View Rd	Attention: Lynchburg	VA	24502		
	513 Samuel Rd.	Danville	VA	24540		
	11374 Felicia Dr	Odessa	FL	33556-4246		
	1434 East 64 Street	Brooklyn	NY	11234		
	125 Glen Brooke Ln	King	NC	27021-9328		
	167 Bell Road Unit 16	Nashville	TN	37217		
	400 Payson Ave	Monroe	MI	48162		
	PO Box 13	Social Circle	GA	30025		
434-250-4421	2725 Stones Dairy Rd.	Bassett	VA	24055		

INTERNAL REVENUE SERVICE
P. O. BOX 2508
CINCINNATI, OH 45201

DEPARTMENT OF THE TREASURY

Date:

JUN 29 2005

GODS PIT CREW INC
296 STILL SPRINGS RD
DANVILLE, VA 24541-0000

Employer Identification Number:
54-1974979

DLN:

17053015742015

Contact Person:

CASEY A SUTFIELD

ID# 31474

Contact Telephone Number:

(877) 829-5500

Public Charity Status:

170(b)(1)(A)(vi)

Dear Applicant:

Our letter dated AUGUST 2000, stated you would be exempt from Federal income tax under section 501(c)(3) of the Internal Revenue Code, and you would be treated as a public charity, rather than as a private foundation, during an advance ruling period.

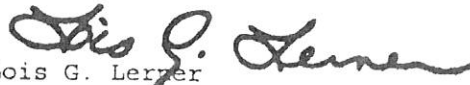
Based on the information you submitted, you are classified as a public charity under the Code section listed in the heading of this letter. Since your exempt status was not under consideration, you continue to be classified as an organization exempt from Federal income tax under section 501(c)(3) of the Code.

Publication 557, Tax-Exempt Status for Your Organization, provides detailed information about your rights and responsibilities as an exempt organization. You may request a copy by calling the toll-free number for forms, (800) 829-3676. Information is also available on our Internet Web Site at www.irs.gov.

If you have general questions about exempt organizations, please call our toll-free number shown in the heading between 8:30 a.m. - 5:30 p.m. Eastern time.

Please keep this letter in your permanent records.

Sincerely yours,



Lois G. Lerner
Director, Exempt Organizations
Rulings and Agreements

Letter 1050 (DO/CG)

INTERNAL REVENUE SERVICE
P. O. BOX 2508
CINCINNATI, OH 45201

DEPARTMENT OF THE TREASURY

Date: **AUG 24 2000**

GODS PIT CREW INC
C/O JERRY N MEALER
426 SOUTHLAND DR
DANVILLE, VA 24541

Employer Identification Number:
54-1974979
DLN:
17053210002000
Contact Person:
KENNETH B BIBB ID# 31264
Contact Telephone Number:
(877) 829-5500
Accounting Period Ending:
December 31
Foundation Status Classification:
509(a)(1)
Advance Ruling Period Begins:
March 15, 2000
Advance Ruling Period Ends:
December 31, 2004
Addendum Applies:
No

Dear Applicant:

Based on information you supplied, and assuming your operations will be as stated in your application for recognition of exemption, we have determined you are exempt from federal income tax under section 501(a) of the Internal Revenue Code as an organization described in section 501(c)(3).

Because you are a newly created organization, we are not now making a final determination of your foundation status under section 509(a) of the Code. However, we have determined that you can reasonably expect to be a publicly supported organization described in sections 509(a)(1) and 170(b)(1)(A)(vi).

Accordingly, during an advance ruling period you will be treated as a publicly supported organization, and not as a private foundation. This advance ruling period begins and ends on the dates shown above.

Within 90 days after the end of your advance ruling period, you must send us the information needed to determine whether you have met the requirements of the applicable support test during the advance ruling period. If you establish that you have been a publicly supported organization, we will classify you as a section 509(a)(1) or 509(a)(2) organization as long as you continue to meet the requirements of the applicable support test. If you do not meet the public support requirements during the advance ruling period, we will classify you as a private foundation for future periods. Also, if we classify you as a private foundation, we will treat you as a private foundation from your beginning date for purposes of section 507(d) and 4940.

Grantors and contributors may rely on our determination that you are not a private foundation until 90 days after the end of your advance ruling period. If you send us the required information within the 90 days, grantors and contributors may continue to rely on the advance determination until we make

Letter 1045 (DO/CG)

GODS PIT CREW INC

a final determination of your foundation status.

If we publish a notice in the Internal Revenue Bulletin stating that we will no longer treat you as a publicly supported organization, grantors and contributors may not rely on this determination after the date we publish the notice. In addition, if you lose your status as a publicly supported organization, and a grantor or contributor was responsible for, or was aware of, the act or failure to act, that resulted in your loss of such status, that person may not rely on this determination from the date of the act or failure to act. Also, if a grantor or contributor learned that we had given notice that you would be removed from classification as a publicly supported organization, then that person may not rely on this determination as of the date he or she acquired such knowledge.

If you change your sources of support, your purposes, character, or method of operation, please let us know so we can consider the effect of the change on your exempt status and foundation status. If you amend your organizational document or bylaws, please send us a copy of the amended document or bylaws. Also, let us know all changes in your name or address.

As of January 1, 1984, you are liable for social security taxes under the Federal Insurance Contributions Act on amounts of \$100 or more you pay to each of your employees during a calendar year. You are not liable for the tax imposed under the Federal Unemployment Tax Act (FUTA).

Organizations that are not private foundations are not subject to the private foundation excise taxes under Chapter 42 of the Internal Revenue Code. However, you are not automatically exempt from other federal excise taxes. If you have any questions about excise, employment, or other federal taxes, please let us know.

Donors may deduct contributions to you as provided in section 170 of the Internal Revenue Code. Bequests, legacies, devises, transfers, or gifts to you or for your use are deductible for Federal estate and gift tax purposes if they meet the applicable provisions of sections 2055, 2106, and 2522 of the Code.

Donors may deduct contributions to you only to the extent that their contributions are gifts, with no consideration received. Ticket purchases and similar payments in conjunction with fundraising events may not necessarily qualify as deductible contributions, depending on the circumstances. Revenue Ruling 67-246, published in Cumulative Bulletin 1967-2, on page 104, gives guidelines regarding when taxpayers may deduct payments for admission to, or other participation in, fundraising activities for charity.

You are not required to file Form 990, Return of Organization Exempt From Income Tax, if your gross receipts each year are normally \$25,000 or less. If you receive a Form 990 package in the mail, simply attach the label provided, check the box in the heading to indicate that your annual gross receipts are normally \$25,000 or less, and sign the return. Because you will be treated as a public charity for return filing purposes during your entire advance ruling period, you should file Form 990 for each year in your advance ruling period

Letter 1045 (DO/CG)

GODS PIT CREW INC

that you exceed the \$25,000 filing threshold even if your sources of support do not satisfy the public support test specified in the heading of this letter.

If a return is required, it must be filed by the 15th day of the fifth month after the end of your annual accounting period. A penalty of \$20 a day is charged when a return is filed late, unless there is reasonable cause for the delay. However, the maximum penalty charged cannot exceed \$10,000 or 5 percent of your gross receipts for the year, whichever is less. For organizations with gross receipts exceeding \$1,000,000 in any year, the penalty is \$100 per day per return, unless there is reasonable cause for the delay. The maximum penalty for an organization with gross receipts exceeding \$1,000,000 shall not exceed \$50,000. This penalty may also be charged if a return is not complete. So, please be sure your return is complete before you file it.

You are not required to file federal income tax returns unless you are subject to the tax on unrelated business income under section 511 of the Code. If you are subject to this tax, you must file an income tax return on Form 990-T, Exempt Organization Business Income Tax Return. In this letter we are not determining whether any of your present or proposed activities are unrelated trade or business as defined in section 513 of the Code.

You are required to make your annual information return, Form 990 or Form 990-EZ, available for public inspection for three years after the later of the due date of the return or the date the return is filed. You are also required to make available for public inspection your exemption application, any supporting documents, and your exemption letter. Copies of these documents are also required to be provided to any individual upon written or in person request without charge other than reasonable fees for copying and postage. You may fulfill this requirement by placing these documents on the Internet. Penalties may be imposed for failure to comply with these requirements. Additional information is available in Publication 557, Tax-Exempt Status for Your Organization, or you may call our toll free number shown above.

You need an employer identification number even if you have no employees. If an employer identification number was not entered on your application, we will assign a number to you and advise you of it. Please use that number on all returns you file and in all correspondence with the Internal Revenue Service.

If we said in the heading of this letter that an addendum applies, the addendum enclosed is an integral part of this letter.

Because this letter could help us resolve any questions about your exempt status and foundation status, you should keep it in your permanent records.

We have sent a copy of this letter to your representative as indicated in your power of attorney.

Letter 1045 (DO/CG)

GODS PIT CREW INC

If you have any questions, please contact the person whose name and telephone number are shown in the heading of this letter.

Sincerely yours,

Steven T. Miller

Steven T. Miller
Director, Exempt Organizations

Enclosure(s):
Form 872-C

Letter 1045 (DO/CG)

GOD'S PIT CREW, INC.
AUDITED FINANCIAL STATEMENTS
December 31, 2023

Jones & Associates, PLC
635 Main Street
Danville, VA 24541
Phone: (434) 793-8555
Fax: (434) 793-9555

<i>Independent Auditor's Report</i>	1-2
<i>Financial Statements</i>	
Statement of Assets, Liabilities, and Net Assets - Modified Cash Basis	3
Statement of Support, Revenues, and Expenses - Modified Cash Basis	4
Statement of Functional Expenses - Modified Cash Basis	5
Statement of Cash Flows - Modified Cash Basis	6
Notes to the Financial Statements	7-10

Statement of Assets, Liabilities and Net Assets - Modified Cash Basis

GOD'S PIT CREW, INC.
INDEPENDENT AUDITOR'S REPORT
For the Year Ended December 31, 2023

To the Board of Directors
God's Pit Crew, Inc.
Danville, Virginia

Opinion

We have audited the accompanying financial statements of God's Pit Crew, Inc. (a nonprofit organization), which comprise the statement of assets, liabilities and net assets - modified cash basis as of December 31, 2023, and the related statements of support, revenues, and expenses - modified cash basis, functional expenses - modified cash basis, and cash flows - modified cash basis, for the year then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the statement of assets, liabilities and net assets - modified cash basis as of December 31, 2023, and the related statements of support, revenues, and expenses - modified cash basis, functional expenses - modified cash basis, and cash flows - modified cash basis, for the year then ended, and the related notes to the financial statements in accordance with the basis of accounting as described in Note A.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of God's Pit Crew, Inc. and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Emphasis of Matter

As discussed in Note A to the financial statements, which describes the basis of accounting. The financial statements are prepared on the modified cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to that matter.

Responsibilities of Management for the Audit of the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Statement of Assets, Liabilities and Net Assets - Modified Cash Basis

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about God's Pit Crew, Inc. ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

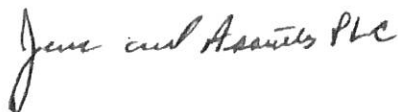
Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of God's Pit Crew, Inc. internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about God's Pit Crew, Inc. ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.



Jones & Associates, PLC
Danville, Virginia
July 17, 2024

God's Pit Crew, Inc.**Statement of Assets, Liabilities and Net Assets - Modified Cash Basis**

<i>December 31,</i>	2023
Assets	
Cash and cash equivalents - Notes A, D, and E	\$ 2,222,069
Inventory - Note B	1,569,285
Property and equipment - Note C	3,762,336
Total assets	\$ 7,553,690
Liabilities and Net Assets	
Total liabilities	\$ -
Net assets	
Undesignated	7,553,690
Total net assets	7,553,690
Total liabilities and net assets	\$ 7,553,690

God's Pit Crew, Inc.**Statement of Support, Revenues, and Expenses - Modified Cash Basis**

<i>Year Ended December 31,</i>	2023
	<u>Without Donor Restrictions</u>
Unrestricted activities	
Revenue and support	
Contributions	\$ 5,826,906
Non-cash donations	8,063,833
Special events and fundraisers	173,102
Grants	1,156,000
Gain on dispositions of property and equipment	50,913
Interest earned	42,786
Total unrestricted revenue and support	15,313,540
Expenses	
Program services	13,748,872
Supporting activities	
Fundraising	740,216
Management and general	202,674
Total supporting activities	942,890
Total expenses	14,691,762
Increase in unrestricted net assets	621,778
Change in net assets	621,778
Net assets, beginning of year	6,931,912
Net assets, end of year	\$ 7,553,690

See notes to the financial statements.

God's Pit Crew, Inc.

Statement of Functional Expenses - Modified Cash Basis
Year Ended December 31, 2023

	Program Services	Supporting Activities			Total Expenses
		Fundraising	Management and General	Total Supporting Activities	
Salaries and benefits	\$ 929,038	\$ 104,782	\$ 119,336	\$ 224,117	\$ 1,153,155
In kind donations-distributions	7,461,457	-	-	-	7,461,457
Accounting	-	-	11,726	11,726	11,726
Advertising	-	285,897	-	285,897	285,897
Blessing buckets	751,585	-	-	-	751,585
Conference expense	6,782	-	-	-	6,782
Depreciation	466,948	-	-	-	466,948
Disaster relief	1,699,738	-	-	-	1,699,738
Fundraising	-	257,457	-	257,457	257,457
Insurance	136,520	15,397	17,536	32,933	169,453
Interest expense	28,160	3,176	3,617	6,793	34,953
Legal fees	-	-	8,789	8,789	8,789
Meals and entertainment	23,919	-	-	-	23,919
Office	-	37,970	43,244	81,214	81,214
Rebuild special project	1,335,708	-	-	-	1,335,708
Repairs and maintenance	308,920	-	-	-	308,920
Trucks	483,891	-	-	-	483,891
Utilities	53,105	6,600	6,892	13,492	66,597
Volunteer program	83,573	-	-	-	83,573
	<u>\$ 13,769,344</u>	<u>\$ 711,279</u>	<u>\$ 211,140</u>	<u>\$ 922,418</u>	<u>\$ 14,691,762</u>

See notes to the financial statements.

God's Pit Crew, Inc.**Statement of Cash Flows - Modified Cash Basis**
Year Ended December 31, 2023

Cash flows from operating activities	
Change in net assets	\$ 621,778
Adjustments to reconcile change in net assets to net cash provided by operating activities:	
Depreciation	466,948
Gain on dispositions of property and equipment	(50,913)
Changes in assets and liabilities:	
Inventory	(246,346)
Total adjustments	169,689
Net cash provided by operating activities	791,467
Cash flows from investing activities	
Proceeds from dispositions of property and equipment	122,500
Purchases of property and equipment	(1,629,965)
Net cash used in investing activities	(1,507,465)
Cash flows from financing activities	
Principal payments under mortgage payable obligations	-
Principal payments under notes payable obligations	-
Net cash used in financing activities	-
Net increase in cash and cash equivalents	(715,998)
Cash and cash equivalents, beginning of year	2,938,067
Cash and cash equivalents, end of year	\$ 2,222,069

Supplemental Disclosures of Cash Flow Information:

Cash paid during the year for interest	\$ 34,953
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Notes to the Financial Statements

A. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization: *God's Pit Crew, Inc.* (God's Pit Crew) is a faith based nonprofit corporation, formed in 2000. It is comprised of volunteers and employees who wish to serve others in their time of need. God's Pit Crew provides help to its local communities along with national disaster relief and international relief. The mission of God's Pit Crew is as follows: With God's help and direction to bring hope, healing and restoration to hurting people in times of crisis.

Basis of accounting: God's Pit Crew prepares its financial statements on the modified cash basis, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. Under this basis, revenues are recognized when received, rather than when earned, and expenses are generally recognized when paid rather than when incurred. Modifications to the cash basis of accounting result from management's decision to record property and equipment acquisitions as additions in the accompanying statement of assets, liabilities and net assets - modified cash basis rather than an expense. Additionally, the depreciation of property and equipment, and the reporting of non-cash revenue, support, and expenses related to donated inventory are recorded in the statement of assets, liabilities and net assets - modified cash basis, and the statement of support, revenues, and expenses - modified cash basis even though such transactions did not use cash.

Basis of financial statement presentation: God's Pit Crew reports information regarding its financial position and activities according to two classes of net assets: net assets without donor restrictions and net assets with donor restrictions.

Net assets: Net assets, revenues, gains, and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets and changes therein are classified and reported as follows:

Net Assets Without Donor Restrictions: Net assets available for use in general operations and not subject to donor restrictions. The God's Pit Crew's Board of Directors has not designated net assets without donor restrictions as of December 31, 2023.

Net Assets With Donor Restrictions: Net assets that are subject to restrictions imposed by the donor. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates those resources be maintained in perpetuity. Donor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both.

Notes to the Financial Statements

A. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

Use of estimates: Preparation of financial statements in accordance with the modified cash basis of accounting requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Significant items subject to such estimates and assumptions include the carrying amount of property and equipment, and the valuation of donated inventory. Accordingly, actual results could differ from those estimates.

Contributions: Contributions received, including unconditional promises to give, are recorded as net assets without donor restrictions or net assets with donor restrictions depending on the existence and/or nature of any donor restrictions in the period received, as applicable. However, contributions received with donor-imposed restrictions that are met in the same year as received are reported as revenue of the net assets without donor restrictions class.

Contributions of non-cash donations placed in inventory are recorded at 60% of their retail value. Donations of property and equipment are recorded as support at their estimated fair value at the time of donation.

Donated services: God's Pit Crew receives a significant amount of donated services from unpaid volunteers who assist in program and fundraising activities. No amounts have been recognized in the statement of support, revenues, and expenses - modified cash basis.

Donated property and equipment: Donations of property and equipment are recorded as support at their estimated fair value at the time of donation. Such donations are reported as support without donor restrictions unless the donor has restricted the donated asset to a specific purpose. Assets donated with explicit restrictions regarding their use are reported as support with donor restrictions. Absent donor stipulations regarding how long those donated assets must be maintained, God's Pit Crew reports expirations of donor restrictions when the donated, or acquired, assets are placed in service as instructed by the donor. God's Pit Crew reclassifies support with donor restrictions to support without donor restrictions at that time.

Cash and cash equivalents: For financial statement purposes, God's Pit Crew considers money market funds and certificates of deposit purchased with an original maturity of three months or less to be cash and cash equivalents. The carrying amounts for cash and cash equivalents approximate fair value because of the short maturity of these instruments.

Notes to the Financial Statements

A. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

Income tax status: God's Pit Crew has obtained an exemption from income taxes under code section 501(c)(3) of the Internal Revenue Service, except for unrelated business income, which is taxable. God's Pit Crew recognizes or derecognizes its tax positions based on a "more likely than not" threshold. This applies to positions taken or expected to be taken in a tax return. God's Pit Crew does not believe its financial statements include or reflect any uncertain tax positions.

Functional allocation of expense: The costs of providing various programs and other activities have been summarized on a functional basis in the accompanying statements of support, revenues, and expenses - modified cash basis, and functional expenses - modified cash basis. Accordingly, certain costs have been allocated among the programs and supporting services benefited based on direct costs and an allocated portion of shared costs.

Advertising Costs: God's Pit Crew expenses advertising costs as they are incurred.

Date of management's review of subsequent events: Management has evaluated subsequent events through July 17, 2024 the date which the financial statement was available to be issued. There have been no events that qualify for either recognition nor disclosure in God's Pit Crew's financial statements.

B. INVENTORY

Inventory consists primarily of donated goods held for use in disaster relief and product distribution. Substantially all of God's Pit Crew inventory is donated by individuals or commercial enterprises. The revenue and corresponding expense have been recorded for such donated goods, which are valued based 60% of the retail value. Purchased inventory is stated at the lower of cost (first-in, first-out) or market.

C. PROPERTY AND EQUIPMENT

Land is recorded at cost or at estimated fair value at date of gift if acquired by gift. Acquisitions of equipment and building greater than \$5,000 are recorded at cost or at estimated fair value at date of gift if acquired by gift, less accumulated depreciation and amortization. Depreciation is computed utilizing the straight-line method over the estimated useful lives of the related assets. The useful lives are estimated as follows:

Buildings	27.5 - 39 years
Furniture and equipment	5 - 7 years

The recorded value and associated accumulated depreciation of property sold or retired is removed from the accounts and any gain or loss is reflected in the accompanying statement of support, revenues, and expenses - modified cash basis.

Notes to the Financial Statements

C. PROPERTY AND EQUIPMENT- CONTINUED

Property and equipment consisted of the following at December 31, 2023:

Land	\$ 381,734
Equipment	3,726,587
Buildings	<u>2,082,533</u>
	6,190,854
Less accumulated depreciation	<u>(2,428,518)</u>
	<u>\$ 3,762,336</u>

D. CONCENTRATIONS

Credit risk: God's Pit Crew maintains demand deposits with commercial banks. At times, certain balances held within these accounts may not be fully guaranteed or insured by the United States of America's federal government. The uninsured portion of cash and money market accounts are backed solely by the assets of the underlying institution. As such, the failure of an underlying institution could result in financial loss to God's Pit Crew.

E. LIQUIDITY AND AVAILABILITY OF RESOURCES

Financial assets available for general expenditure within one year of the balance sheet date, consist of the following:

Cash and Cash Equivalents	\$2,222,069
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As part of God's Pit Crew's liquidity management plan, cash in excess of daily requirements are invested in short-term savings, which was \$1,944,879 as of December 31, 2023. God's Pit Crew regularly monitors liquidity and maintains liquidity reserves required to meet its operational needs. In addition to financial assets available to meet general expenditures over the next year, it operates with a balanced budget and anticipates collecting sufficient revenue to cover general expenditures.

Council Letter City of Danville, Virginia



CL - 1598

NEW BUSINESS D.

City Council REGULAR MEETING

Meeting Date: November 19, 2024

Subject: Issuance of General Obligation Bonds for Capital Projects.

From: Michael Adkins, Chief Financial Officer

COUNCIL ACTION

Resolution Providing for the Issuance, Sale and Award by the City of Danville, Virginia, of One or More Series of General Obligation Public Improvement Bonds, Heretofore Authorized, and Providing for the Form, Details and Payment of Such Bonds.

SUMMARY

In accordance with the adopted Fiscal Year 2025 budget, bonds are to be issued to finance various capital projects. City Council conducted a public hearing and first reading for the ordinance to issue bonds on November 7, 2024. The ordinance was adopted by City Council on November 19, 2024. The passing of the attached Resolution is the last step in completing the general obligation bond issuance for Fiscal Year 2025.

BACKGROUND

On June 18, 2024, City Council's adopted budget for Fiscal Year 2025 included various capital projects to be funded by the issuance of general obligation bonds. These projects include Parks and Recreation facilities and equipment, Public Safety equipment, electric and water infrastructure, public street improvements, and improvements to public buildings.

RECOMMENDATION

It is recommended that City Council pass the attached Resolution to complete the Fiscal Year 2025 bond issuance which will secure funding for the capital projects as adopted in the Fiscal Year 2025 budget.

Attachments

1. Resolution
 2. Appendix A
 3. Preliminary Official Statement
-

PRESENTED: November 19, 2024

ADOPTED: November 19, 2024

RESOLUTION NO. 2024 - ____.

RESOLUTION PROVIDING FOR THE ISSUANCE, SALE AND AWARD BY THE CITY OF DANVILLE, VIRGINIA, OF ONE OR MORE SERIES OF GENERAL OBLIGATION PUBLIC IMPROVEMENT BONDS, HERETOFORE AUTHORIZED, AND PROVIDING FOR THE FORM, DETAILS AND PAYMENT OF SUCH BONDS.

WHEREAS, the Council (the "Council") of the City of Danville, Virginia (the "City"), adopted an ordinance on March 19, 2024 (the "2024-1 Ordinance"), authorizing under Section 9-7A of the City Charter the issuance of general obligation bonds in a maximum principal amount of \$6,000,000 to finance any capital expenditures *other than* for capital expenditures relating to the City's water, sewer, gas and/or electric systems, as more fully described in the 2024-1 Ordinance, of which \$600,000 remains unissued; and

WHEREAS, the Council adopted an ordinance on November 19, 2024 (the "2024-2 Ordinance"), authorizing under Section 9-7A of the City Charter the issuance of general obligation bonds in a maximum principal amount of \$6,000,000 to finance any capital expenditures *other than* for capital expenditures relating to the City's water, sewer, gas and/or electric systems, as more fully described in the 2024-2 Ordinance, of which the full principal amount remains unissued; and

WHEREAS, using the remaining \$600,000 principal authorization of the 2024-1 Ordinance and up to \$6,000,000 principal authorization of the 2024-2 Ordinance (for a total principal authorization of up to \$6,600,000), the Council desires to finance capital expenditures for general governmental projects, including, without limitation, (a) parks and recreational facility improvements, (b) fire and police equipment, (c) information technology software and equipment, (d) public building improvements (including, without limitation, roof, elevator and

HVAC improvements), (e) acquisition and installation of emergency generators, (f) sidewalk, street and parking lot improvements, (g) capital improvements for the municipal airport, and (h) stormwater system upgrades, and (i) any other capital expenditures (other than for capital expenditures relating to the City's water, sewer, gas and/or electric systems) (collectively, the "9-7A Projects"); and

WHEREAS, pursuant to the 2024-1 Ordinance, the Council also authorized under the provisions of Section 9-7D of the City Charter the issuance of general obligation bonds in a maximum principal amount of \$10,000,000 to finance capital expenditures relating to the City's water, sewer, gas and electric systems or other specific undertaking or undertakings from which the City may derive a revenue, as more fully described in the 2024-1 Ordinance, of which \$2,100,000 remains unissued; and

WHEREAS, pursuant to the 2024-2 Ordinance, the Council also authorized under the provisions of Section 9-7D of the City Charter the issuance of general obligation bonds in a maximum principal amount of \$10,000,000 to finance capital expenditures relating to the City's water, sewer, gas and electric systems or other specific undertaking or undertakings from which the City may derive a revenue, as more fully described in the 2024-2 Ordinance, of which the full principal amount remains unissued; and

WHEREAS, using the remaining \$2,100,000 principal authorization of the 2024-1 Ordinance and up to \$10,000,000 principal authorization of the 2024-2 Ordinance (for a total principal authorization of up to \$12,100,000), the Council desires to finance various capital improvements relating to the City's water, sewer, gas and/or electric systems or other specific undertaking or undertakings from which the City may derive a revenue including, without limitation, (a) distribution and treatment infrastructure improvements for the water system, (b) substations and distribution infrastructure improvements for the electric system, and (c) any

other capital expenditures relating to the City's water, sewer, gas and/or electric systems or other specific undertaking or undertakings from which the City may derive a revenue (collectively, the "9-7D Projects" and, together with the 9-7A Projects, the "Projects"); and

WHEREAS, the Council desires to issue one or more series of general obligation public improvement bonds in an aggregate principal amount not to exceed \$18,700,000 (the "Bonds") to finance the Projects and to pay the costs of issuing the Bonds; and

WHEREAS, the City's administration, in collaboration with Davenport & Company LLC, acting as the City's financial advisor (the "Financial Advisor"), has recommended that the City pursue the sale of the Bonds through one or more of the following methods: (a) a direct bank loan with a banking or other financial institution (a "Direct Bank Loan"), (b) a public offering through a competitive sale (a "Competitive Sale") or (c) a public offering through a negotiated underwriting (a "Negotiated Sale") (in any of such funding options, the purchaser(s) of the Bonds shall be referred to herein as the "Purchaser").

BE IT RESOLVED BY THE COUNCIL OF THE CITY OF DANVILLE, VIRGINIA:

1. Issuance and Sale of Bonds. (a) Pursuant to the Constitution and statutes of the Commonwealth of Virginia, including the City Charter and the Public Finance Act of 1991, and in accordance with the authorizations of the 2024-1 Ordinance and the 2024-2 Ordinance, the Council provides for the issuance and sale of the Bonds in an aggregate principal amount not to exceed \$18,700,000 to finance the Projects and to pay the related costs of issuing the Bonds.

(b) The Council determines that the average probable period of usefulness of the Projects is not more than 30 years.

2. Bond Details. (a) Subject to the provisions and limitations of this Resolution, the Council authorizes the City Manager (which term shall include the Deputy City Manager for purposes of this Resolution) to undertake the issuance and sale of the Bonds and to determine the final pricing terms of the Bonds as he shall deem to be in the best interests of the City, provided that the Bonds shall be designated "General Obligation Public Improvement Bonds, Series 2024B," or such other designation as may be determined by the City Manager.

(b) The Bonds shall be in registered form, shall be dated such date as may be determined by the City Manager, shall be in denominations of \$5,000 and integral multiples thereof and shall be numbered R-1 upward, or such other designation as appropriate. The

issuance and sale of the Bonds are authorized on pricing terms as shall be satisfactory to the City Manager; provided, however, that the Bonds (i) shall be issued in an aggregate principal amount not exceeding the limit set forth in Section 1(a), (ii) shall have a “true” interest cost not to exceed 5.0% (taking into account any original issue discount or premium), (iii) shall be sold to the Purchaser at a purchase price not less than 97.0% of the principal amount thereof (excluding any original issue discount or premium), and (iv) shall mature, or be subject to mandatory sinking fund redemption in annual installments, in years ending no later than December 31, 2044.

(c) Principal of the Bonds shall mature, or be subject to mandatory sinking fund installments, annually on dates determined by the City Manager. Each Bond shall bear interest from its dated date at such fixed rate as shall be determined at the time of sale, calculated on the basis of a 360-day year of twelve 30-day months, and payable semiannually on dates determined by the City Manager. Principal and premium, if any, shall be payable to the registered owners upon surrender of Bonds as they become due at the office of the Registrar (as hereinafter defined). Interest shall be payable by check or draft mailed to the registered owners at their addresses as they appear on the registration books kept by the Registrar on a date prior to each interest payment date that shall be determined by the City Manager (the “Record Date”); provided, however, that at the request of the registered owner of the Bonds, payment may be made by wire transfer pursuant to the most recent wire instructions received by the Registrar from such registered owner. If any payment date is not a business day, such payment shall be made on the next succeeding business day with the same effect as if made on the stated payment date, and no additional interest shall accrue. Principal, premium, if any, and interest shall be payable in lawful money of the United States of America.

3. Methods of Sale; Award of Bonds. (a) The Bonds shall be sold through a Direct Bank Loan, a Competitive Sale or a Negotiated Sale, or a combination thereof, as the City Manager shall determine to be in the best interests of the City.

(b) If the City Manager determines that the Bonds (or a portion thereof) shall be sold through a Direct Bank Loan, the City Manager is authorized, on behalf of the City and in collaboration with the Financial Advisor, to solicit bids from banking and other financial institutions, to determine which bid (or bids) offers the best terms to the City, and, subject to the limitations set forth in Section 2, to arrange for the issuance and sale of all or a portion of the Bonds to the Purchaser. Following a Direct Bank Loan, the City Manager shall file a certificate with the Council setting forth the final terms of such Bonds. The actions of the City Manager in selling such Bonds by Direct Bank Loan shall be conclusive, and no further action with respect to the sale and issuance of such Bonds shall be necessary on the part of the Council.

(c) If the City Manager determines that the Bonds (or a portion thereof) shall be sold through a Competitive Sale, the City Manager is authorized, on behalf of the City and in collaboration with the Financial Advisor, to take all proper steps to advertise such Bonds for sale, to receive public bids and to award such Bonds to the bidder providing the lowest “true” or “Canadian” interest cost, subject to the limitations set forth in Section 2. Following a Competitive Sale, the City Manager shall file a certificate with the Council setting forth the final terms of such Bonds. The actions of the City Manager in selling all or a portion of the Bonds by Competitive Sale shall be conclusive, and no further action with respect to the sale and issuance of such Bonds shall be necessary on the part of the Council.

(d) If the City Manager determines that the Bonds (or a portion thereof) shall be sold through a Negotiated Sale, the City Manager is authorized, on behalf of the City and in collaboration with the Financial Advisor, to choose one or more investment banking firm(s) to serve as underwriter(s) for such Bonds and to execute and deliver to such underwriter(s), as Purchaser(s) of such Bonds, a bond purchase agreement reflecting the final terms of such Bonds. The bond purchase agreement shall be in a form approved by the City Manager, in collaboration with the City Attorney, the Financial Advisor and the City's bond counsel. The actions of the City Manager in selling all or a portion of the Bonds by Negotiated Sale shall be conclusive, and no further action with respect to the sale and issuance of such Bonds shall be necessary on the part of the Council.

(e) Following the determination of which method(s) of sale shall be used, the City Manager is authorized to determine (i) the principal amounts of the Bonds, subject to the limitations set forth in Section 1(a), (ii) the interest rates of the Bonds, the maturity schedules of the Bonds, and the prices to be paid for the Bonds by the respective Purchasers thereof, subject to the limitations set forth in Section 2, (iii) the redemption provisions of the Bonds, subject to the limitations set forth in Section 5, and (iv) the dated date, the principal and interest payment dates and the Record Dates of the Bonds, all as the City Manager determines to be in the best interests of the City.

4. Securities Depository Provisions. If a series of Bonds is sold through a Competitive Sale or a Negotiated Sale, the following provisions shall apply to such series of Bonds:

(a) Initially, one Bond certificate for each maturity of the Bonds shall be issued to and registered in the name of The Depository Trust Company, New York, New York ("DTC"), or its nominee. The City has heretofore entered into a Blanket Letter of Representations relating to a book-entry system to be maintained by DTC with respect to the Bonds. The defined term "Securities Depository" shall mean DTC or any other securities depository for the Bonds appointed pursuant to this Section.

(b) In the event that (i) the Securities Depository determines not to continue to act as the securities depository for the Bonds by giving notice to the Registrar, and the City discharges the Securities Depository of its responsibilities with respect to the Bonds, or (ii) the City in its sole discretion determines (A) that beneficial owners of the Bonds shall be able to obtain certificated Bonds or (B) to select a new Securities Depository, then its Director of Finance shall, at the direction of the Council, attempt to locate another qualified securities depository to serve as Securities Depository and authenticate and deliver certificated Bonds to the new Securities Depository or its nominee, or authenticate and deliver certificated Bonds to the beneficial owners or to the Securities Depository participants on behalf of beneficial owners substantially in the form provided for in Section 7; provided, however, that such form shall provide for interest on the Bonds to be payable from the date of the Bonds if they are authenticated prior to the first interest payment date, or otherwise from the interest payment date that is or immediately precedes the date on which the Bonds are authenticated (unless payment of interest thereon is in default, in which case interest on the Bonds shall be payable from the date to which interest has been paid). In delivering certificated Bonds, the Director of Finance shall be entitled to rely on the records of the Securities Depository as to the beneficial owners or the records of the Securities Depository participants acting on behalf of beneficial owners. Such certificated Bonds will then be registrable, transferable and exchangeable as set forth in Section 9.

(c) So long as there is a Securities Depository for the Bonds (i) it or its nominee shall be the registered owner of the Bonds; (ii) notwithstanding anything to the contrary in this Resolution, determinations of persons entitled to payment of principal, premium, if any, and interest, transfers of ownership and exchanges and receipt of notices shall be the responsibility of the Securities Depository and shall be effected pursuant to rules and procedures established by such Securities Depository; (iii) the Registrar and the City shall not be responsible or liable for maintaining, supervising or reviewing the records maintained by the Securities Depository, its participants or persons acting through such participants; (iv) references in this Resolution to registered owners of the Bonds shall mean such Securities Depository or its nominee and shall not mean the beneficial owners of the Bonds; and (v) in the event of any inconsistency between the provisions of this Resolution and the provisions of the above-referenced Blanket Letter of Representations, such provisions of the Blanket Letter of Representations, except to the extent set forth in this subsection and subsection 4(b), shall control.

5. Redemption Provisions. (a) Subject to the limitations contained herein, the City Manager is authorized to determine the redemption provisions of the Bonds, including provisions for optional, extraordinary and mandatory sinking fund redemption.

(b) The Bonds of any series may be subject to redemption prior to maturity at the option of the City on or after the dates, if any, determined by the City Manager, in whole or in part at any time, at a redemption price equal to the principal amount of the Bonds to be redeemed, together with any interest accrued to the date fixed for redemption, plus a redemption premium not to exceed 3.0% of the principal amount of the Bonds, such redemption premium to be determined by the City Manager.

(c) Any Bonds sold as term bonds may be subject to mandatory sinking fund redemption upon terms determined by the City Manager.

(d) If less than all of the Bonds of a series are called for redemption, the maturities of the Bonds to be redeemed shall be selected by the Director of Finance in such manner as such officer may determine to be in the best interests of the City. In the case of a Competitive Sale or Negotiated Sale, if less than all of a maturity of a series of Bonds is called for redemption, the Bonds within such maturity to be redeemed shall be selected by the Securities Depository pursuant to its rules and procedures or, if the book-entry system is discontinued, shall be selected by the Registrar by lot in such manner as the Registrar in its discretion may determine. In either case, (i) the portion of any Bond to be redeemed shall be in the principal amount of \$5,000 or some integral multiple thereof and (ii) in selecting Bonds for redemption, each Bond shall be considered as representing that number of Bonds of such series that is obtained by dividing the principal amount of such Bond by \$5,000. The City shall cause notice of the call for redemption identifying the Bonds or portions thereof to be redeemed to be sent by facsimile or electronic transmission, registered or certified mail or overnight express delivery, not less than 30 nor more than 60 days prior to the date fixed for redemption, to the registered owner(s) of such Bonds. The City shall not be responsible for giving notice of redemption to anyone other than DTC or another qualified securities depository then serving or its nominee unless no qualified securities depository is the registered owner of the Bonds. If no qualified securities depository is the registered owner of the Bonds, notice of redemption shall be mailed to the registered owners of the Bonds. If a portion of a Bond is called for redemption, a new Bond in principal amount equal to the unredeemed portion thereof will be issued to the registered owner upon the surrender thereof.

(e) In the case of an optional redemption, the notice may state that (i) it is conditioned upon the deposit of moneys, in an amount equal to the amount necessary to effect the redemption, no later than the date fixed for redemption or (ii) the City retains the right to rescind such notice on or prior to such fixed redemption date (in either case, a "Conditional Redemption"), and such notice and optional redemption shall be of no effect if such moneys are not so deposited or if the notice is rescinded as described herein. Any Conditional Redemption may be rescinded at any time. The City shall give prompt notice of such rescission to the affected Bondholders. Any Bonds subject to Conditional Redemption where redemption has been rescinded shall remain outstanding, and the rescission shall not constitute an event of default. Further, in the case of a Conditional Redemption, the failure of the City to make funds available on or before the date fixed for redemption shall not constitute an event of default, and the City shall give immediate notice to all organizations registered with the Securities and Exchange Commission (the "SEC") as securities depositories or the affected Bondholders that the redemption did not occur and that the Bonds called for redemption and not so paid remain outstanding.

6. Execution and Authentication. The Bonds shall be signed by the manual or facsimile signatures of the Mayor and the City Treasurer, the City's seal shall be affixed thereto and shall be attested by the manual or facsimile signature of the City Clerk (which term shall include any Deputy or Assistant City Clerk for purposes of this Resolution); provided, however, that no Bond signed by facsimile signatures shall be valid until it has been authenticated by the manual signature of the Registrar or, if a bank has been appointed registrar pursuant to Section 9, an authorized officer or employee of the Registrar and the date of authentication noted thereon.

7. Bond Form. The Bonds shall be in substantially the form of Exhibit A attached hereto, with such completions, omissions, insertions and changes not inconsistent with this Resolution as may be approved by the officers signing the Bonds, whose approval shall be evidenced conclusively by the execution and delivery of the Bonds.

8. Pledge of Full Faith and Credit. The full faith and credit of the City are irrevocably pledged for the payment of principal of and premium, if any, and interest on the Bonds. Unless other funds are lawfully available and appropriated for timely payment of the Bonds, the Council shall levy and collect an annual ad valorem tax, over and above all other taxes authorized or limited by law and without limitation as to rate or amount, on all locally taxable property in the City sufficient to pay when due the principal of and premium, if any, and interest on the Bonds.

9. Registration, Transfer and Owners of Bonds. The Bonds shall be issued in registered form without coupons, payable to the registered holders or registered assigns. The City Treasurer is hereby appointed paying agent and registrar for the Bonds (the "Registrar"). The City Manager is authorized, on behalf of the City, to appoint a qualified bank or trust company as successor paying agent and registrar of the Bonds if at any time the City Manager determines such appointment to be in the best interests of the City. The Registrar shall maintain registration books for the registration of the Bonds and transfers thereof. Upon presentation and surrender of any Bonds to the Registrar, or its corporate trust office if the Registrar is a bank or trust company, together with an assignment duly executed by the registered owner or the owner's duly authorized attorney or legal representative in such form as shall be satisfactory to the Registrar, the City shall execute, and the Registrar shall authenticate, if required by Section 6, and deliver in exchange, a new Bond or Bonds having an equal aggregate principal amount, in authorized denominations, of the same form and

maturity, bearing interest at the same rate, and registered in the name(s) as requested by the then registered owner or the owner's duly authorized attorney or legal representative. Any such exchange shall be at the expense of the City, except that the Registrar may charge the person requesting such exchange the amount of any tax or other governmental charge required to be paid with respect thereto.

The Registrar shall treat the registered owner as the person exclusively entitled to payment of principal of and premium, if any, and interest on the Bonds and the exercise of all other rights and powers of the owner, except that interest payments shall be made to the person shown as owner on the registration books on the Record Date.

10. Official Statement. The draft Preliminary Official Statement describing the Bonds, copies of which have been made available to the Council prior to this meeting, is hereby approved as the form of the Preliminary Official Statement by which the Bonds may be offered for sale to the public; provided that the City Manager, in collaboration with the Financial Advisor, may make such completions, omissions, insertions and changes in the Preliminary Official Statement not inconsistent with this Resolution as the City Manager may consider to be in the best interests of the City. After the Bonds have been sold, the City Manager, in collaboration with the Financial Advisor, shall make such completions, omissions, insertions and changes in the Preliminary Official Statement not inconsistent with this Resolution as are necessary or desirable to complete it as a final Official Statement. In addition, the City shall arrange for the delivery to the Purchaser of a reasonable number of printed copies of the final Official Statement, within seven business days after the Bonds have been sold, for delivery to each potential investor requesting a copy of the Official Statement and to each person to whom the Purchaser initially sells Bonds.

11. Official Statement Deemed Final. The City Manager is authorized, on behalf of the City, to deem the Preliminary Official Statement and the Official Statement in final form, each to be final as of its date within the meaning of Rule 15c2-12 (the "Rule") of the SEC, except for the omission in the Preliminary Official Statement of certain pricing and other information permitted to be omitted pursuant to the Rule. The distribution of the Preliminary Official Statement and the execution and delivery of the Official Statement in final form shall be conclusive evidence that each has been deemed final as of its date by the City, except for the omission in the Preliminary Official Statement of such pricing and other information permitted to be omitted pursuant to the Rule.

12. Preparation and Delivery of Bonds. After the Bonds have been awarded, the Mayor, the City Manager, the City Treasurer and the City Clerk are authorized and directed to take all proper steps to have the Bonds prepared and executed in accordance with their terms and to deliver the Bonds to the respective Purchasers upon payment therefor.

13. Arbitrage Covenants. The City covenants that it shall not take or omit to take any action the taking or omission of which will cause any of the Bonds to be "arbitrage bonds" within the meaning of Section 148 of the Internal Revenue Code of 1986, as amended, and regulations issued pursuant thereto (the "Code"), or otherwise cause interest on any of the Bonds to be includable in the gross income for federal income tax purposes of the registered owners thereof under existing law. Without limiting the generality of the foregoing, the City shall comply with any provision of law that may require the City at any time to rebate to the United States any part of the earnings derived from the investment of the gross proceeds of the Bonds, unless the City receives an opinion of nationally recognized bond counsel that such compliance is not required to prevent interest on any of the Bonds from being includable in the

gross income for federal income tax purposes of the registered owners thereof under existing law. The City shall pay any such required rebate from its legally available funds.

14. Non-Arbitrage Certificate and Elections. Such officers of the City as may be requested by the City's bond counsel are authorized and directed to execute an appropriate certificate setting forth (a) the expected uses and investment of the proceeds of the Bonds in order to show that such expected uses and investment will not violate the provisions of Section 148 of the Code and (b) any elections such officers deem desirable regarding rebate of earnings to the United States for purposes of complying with Section 148 of the Code. Such certificate shall be prepared in consultation with the City's bond counsel, and such elections shall be made after consultation with bond counsel.

15. Limitation on Private Use. The City covenants that it shall not permit the proceeds of the Bonds or the facilities financed therewith to be used in any manner that would result in (a) 5% or more of such proceeds or facilities being used in a trade or business carried on by any person other than a governmental unit, as provided in Section 141(b) of the Code, (b) 5% or more of such proceeds or facilities being used with respect to any output facility (other than a facility for the furnishing of water), within the meaning of Section 141(b)(4) of the Code, or (c) 5% or more of such proceeds being used directly or indirectly to make or finance loans to any persons other than a governmental unit, as provided in Section 141(c) of the Code; provided, however, that if the City receives an opinion of nationally recognized bond counsel that any such covenants need not be complied with to prevent the interest on any of the Bonds from being includable in the gross income for federal income tax purposes of the registered owners thereof under existing law, the City need not comply with such covenants.

16. Deposit of Bond Proceeds. The City Treasurer is authorized and directed to provide for delivery of the proceeds of the Bonds to or at the direction of the City in such manner as necessary to (a) pay the costs of the Projects and (b) pay the costs of issuing the Bonds.

17. SNAP Investment Authorization. The Council has previously received and reviewed the Information Statement describing the State Non-Arbitrage Program of the Commonwealth of Virginia ("SNAP") and the Contract Creating the State Non-Arbitrage Program Pool (the "Contract"), and the Council hereby authorizes the Director of Finance in his discretion to use SNAP in connection with the investment of the proceeds of the Bonds. The Council acknowledges that the Treasury Board of the Commonwealth of Virginia is not, and shall not be, in any way liable to the City in connection with SNAP, except as otherwise provided in the Contract.

18. Continuing Disclosure Agreement. The Mayor, the City Manager and such officer or officers of the City as either may designate, any of whom may act, are hereby authorized and directed to execute a continuing disclosure agreement (the "Continuing Disclosure Agreement") setting forth the reports and notices to be filed by the City and containing such covenants as may be necessary to assist the Purchaser in complying with the provisions of the Rule promulgated by the SEC. The Continuing Disclosure Agreement shall be substantially in the form appearing as an appendix to the draft Preliminary Official Statement described above, which agreement is hereby approved for purposes of the Bonds; provided that the City Manager, in collaboration with the Financial Advisor, may make such changes in the Continuing Disclosure Agreement not inconsistent with this Resolution as the City Manager may consider to be in the best interests of the City. The execution thereof by such officers

shall constitute conclusive evidence of their approval of any such completions, omissions, insertions and changes.

19. Other Actions. All other actions of officers of the City in conformity with the purposes and intent of this Resolution and in furtherance of the issuance and sale of the Bonds are hereby ratified, approved and confirmed. The officers of the City are authorized and directed to execute and deliver all certificates and instruments and to take all such further action as may be considered necessary or desirable in connection with the issuance, sale and delivery of the Bonds.

20. Repeal of Conflicting Resolutions. All resolutions or parts of resolutions in conflict herewith are repealed.

21. Effective Date. This Resolution shall take effect immediately.

APPROVED:

Mayor

ATTEST:

City Clerk

APPROVED AS TO
FORM AND LEGAL SUFFICIENCY:

City Attorney

[FORM OF BOND]

Unless this certificate is presented by an authorized representative of The Depository Trust Company, a New York corporation ("DTC"), to the issuer or its agent for registration of transfer, exchange or payment, and any certificate is registered in the name of Cede & Co., or in such other name as is requested by an authorized representative of DTC (and any payment is made to Cede & Co. or to such other entity as is requested by an authorized representative of DTC), ANY TRANSFER, PLEDGE OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL inasmuch as the registered owner hereof, Cede & Co., has an interest herein.

REGISTERED

REGISTERED

No. R-_____

\$_____

UNITED STATES OF AMERICA

COMMONWEALTH OF VIRGINIA

CITY OF DANVILLE

General Obligation Public Improvement Bond,

Series 2024B

INTEREST RATE

MATURITY DATE

DATED DATE

CUSIP

_____%

_____, ____

_____, 2024

REGISTERED OWNER: CEDE & CO.

PRINCIPAL AMOUNT:

DOLLARS

The City of Danville, Virginia (the "City"), for value received, promises to pay, upon surrender hereof to the registered owner hereof, or registered assigns or legal representative, the principal sum stated above on the maturity date stated above, subject to prior redemption as hereinafter provided, and to pay interest hereon from its date semiannually on each _____ and _____, beginning _____, at the annual rate stated above, calculated on the basis of a 360-day year of twelve 30-day months. Principal, premium, if any, and interest are payable in lawful money of the United States of America by the City Treasurer, who has been appointed paying agent and registrar for the bonds, or by such bank or trust company as may be appointed by the City Manager as successor paying agent and registrar (the "Registrar"). If any payment date is not a business day, such payment shall be made on the next succeeding business day with the same effect as if made on the stated payment date, and no additional interest shall accrue.

Notwithstanding any other provision hereof, this bond is subject to a book-entry system maintained by The Depository Trust Company ("DTC"), and the payment of principal, premium, if

any, and interest, the providing of notices and other matters shall be made as described in the City's Blanket Letter of Representations to DTC.

This bond is one of an issue of \$_____ General Obligation Public Improvement Bonds, Series 2024B, of like date and tenor, except as to number, denomination, rate of interest, privilege of redemption and maturity, and is issued pursuant to the Constitution and statutes of the Commonwealth of Virginia, including the City Charter and the Public Finance Act of 1991. The bonds have been authorized and issued pursuant to ordinances adopted by the Council of the City (the "Council") on March 19, 2024, and November 19, 2024, and a resolution adopted by the Council on November 19, 2024, to (a) finance certain public improvement projects and (b) pay costs incurred in connection with issuing such bonds.

The full faith and credit of the City are irrevocably pledged for the payment of principal of and premium, if any, and interest on this bond. Unless other funds are lawfully available and appropriated for timely payment of this bond, the Council shall levy and collect an annual ad valorem tax, over and above all other taxes authorized or limited by law and without limitation as to rate or amount, on all taxable property within the City sufficient to pay when due the principal of and premium, if any, and interest on this bond.

Bonds maturing on or before _____, 20__, are not subject to redemption prior to maturity. Bonds maturing on or after _____, 20__, are subject to redemption prior to maturity at the option of the City on or after _____, 20__, in whole or in part (in any multiple of \$5,000) at any time, upon payment of the following redemption prices (expressed as a percentage of principal amount of bonds to be redeemed) plus interest accrued and unpaid to the date fixed for redemption:

Period During Which Redeemed (Both Dates Inclusive)	Redemption Price
--	-----------------------------

[Bonds maturing on _____, 20__, are required to be redeemed in part before maturity by the City on _____ in the years and amounts set forth below, at a redemption price equal to the principal amount of the bonds to be redeemed, plus accrued interest to the date fixed for redemption:

<u>Year</u>	<u>Amount</u>	<u>Year</u>	<u>Amount</u>
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If less than all of the bonds are called for redemption, the bonds to be redeemed shall be selected by the Director of Finance of the City in such manner as such officer may determine to be in the best interests of the City. If less than all of the bonds of any maturity are called for redemption, the bonds within such maturity to be redeemed shall be selected by DTC or any successor securities depository pursuant to its rules and procedures or, if the book-entry system is discontinued, shall be selected by the Registrar by lot in such manner as the Registrar in its discretion may determine. In either case, (a) the portion of any bond to be redeemed shall be in

the principal amount of \$5,000 or some integral multiple thereof and (b) in selecting bonds for redemption, each bond shall be considered as representing that number of bonds that is obtained by dividing the principal amount of such bond by \$5,000. The City shall cause notice of the call for redemption identifying the bonds or portions thereof to be redeemed to be sent by facsimile or electronic transmission, registered or certified mail or overnight express delivery, not less than 30 nor more than 60 days prior to the date fixed for redemption, to the registered owner hereof. If a portion of this bond is called for redemption, a new bond in the principal amount of the unredeemed portion hereof will be issued to the registered owner upon surrender hereof.

In the case of an optional redemption, the notice may state that (a) it is conditioned upon the deposit of moneys, in an amount equal to the amount necessary to effect the redemption, no later than the date fixed for redemption or (b) the City retains the right to rescind such notice on or prior to the date fixed for redemption (in either case, a "Conditional Redemption"), and such notice and optional redemption shall be of no effect if such moneys are not so deposited or if the notice is rescinded as described herein. Any Conditional Redemption may be rescinded at any time. The City shall give prompt notice of such rescission to the holders of the affected bonds. Any bonds subject to Conditional Redemption where redemption has been rescinded shall remain outstanding, and the rescission shall not constitute an event of default. Further, in the case of a Conditional Redemption, the failure of the City to make funds available on or before the date fixed for redemption shall not constitute an event of default, and the City shall give immediate notice to all organizations registered with the Securities and Exchange Commission as securities depositories or the holders of the affected bonds that the redemption did not occur and that the bonds called for redemption and not so paid remain outstanding.

The Registrar shall treat the registered owner of this bond as the person exclusively entitled to payment of principal of and premium, if any, and interest on this bond and the exercise of all others rights and powers of the owner, except that interest payments shall be made to the person shown as the owner on the registration books on the ____ day of the month [preceding] [in which] each interest payment [is due].

All acts, conditions and things required by the Constitution and statutes of the Commonwealth of Virginia to happen, exist or be performed precedent to and in connection with the issuance of this bond have happened, exist and have been performed, and the issue of bonds of which this bond is one, together with all other indebtedness of the City, is within every debt and other limit prescribed by the Constitution and statutes of the Commonwealth of Virginia.

[Remainder of page intentionally left blank.]

IN WITNESS WHEREOF, the City of Danville, Virginia, has caused this bond to be to be signed by its Mayor and its City Treasurer, its seal to be affixed hereto and attested by its City Clerk, and this bond to be dated the date first above written.

(SEAL)

Mayor, City of Danville, Virginia

City Treasurer, City of Danville, Virginia

(ATTEST)

City Clerk,
City of Danville, Virginia

ASSIGNMENT

FOR VALUE RECEIVED the undersigned sell(s), assign(s) and transfer(s) unto

____(Please print or type name and address, including postal zip code, of Transferee)

PLEASE INSERT SOCIAL SECURITY OR OTHER
IDENTIFYING NUMBER OF TRANSFeree:

--

the within bond and all rights thereunder, hereby irrevocably constituting and appointing

_____,
Attorney, to transfer said bond on the books kept for the registration thereof, with full power of
substitution in the premises.

Dated: _____

Signature Guaranteed

NOTICE: Signature(s) must be guaranteed
by an Eligible Guarantor Institution such
as a Commercial Bank, Trust Company,
Securities Broker/Dealer, Credit Union
or Savings Association who is a member
of a medallion program approved by The
Securities Transfer Association, Inc.

(Signature of Registered Owner)

NOTICE: The signature above must
correspond with the name of the
registered owner as it appears on the
front of this bond in every particular,
without alteration or enlargement or any
change whatsoever.

TABLE OF CONTENTS

THE CITY	A-2
Introduction	A-2
Government	A-2
Labor Relations.....	A-2
Certain City Officials and Administrative Staff Members	A-3
City of Danville Organizational Chart	A-6
Utility Systems.....	A-7
Transportation.....	A-9
Public Education.....	A-9
Higher Education	A-10
Medical	A-10
ECONOMIC AND DEMOGRAPHIC DATA	A-11
Population	A-11
Employment.....	A-11
Unemployment	A-12
Per Capita Personal Income Estimates	A-12
Taxable Retail Sales	A-13
Building Permits	A-13
Casino Development.....	A-13
FINANCIAL INFORMATION	A-14
Budgeting, Accounting, and Auditing	A-14
Five-Year Summary of General Fund Revenues and Expenditures.....	A-15
General Fund Budget.....	A-16
Fiscal Year 2025 Budget Discussion	A-17
General Fund Revenues and Expenditures	A-17
Revenues.....	A-17
Expenditures	A-18
Operating Data.....	A-19
Pension Fund Information	A-22
Post-Employment Benefits Other than Pensions	A-23
CITY INDEBTEDNESS AND CAPITAL PLANS	A-24
Debt Administration	A-24
Statement of Legal Debt Margin at [June 30, 2024]	A-24
General Obligation Bonded Debt Incurred Since Fiscal Year ended June 30, 2024	A-24
Statement of Bonded Debt [DAVENPORT TO UPDATE]	A-25
Key Debt Ratios.....	A-27
Capital Improvement Plan	A-28

THE CITY

Introduction

The City, situated on the Dan River, is located near the North Carolina state line in the Piedmont section of Virginia. U.S. Highways 29, 58, and 360 provide primary access to the City. The City is located adjacent to the southern part of Pittsylvania County and covers an area of approximately 44 square miles, including approximately 26 square miles annexed by the City on December 31, 1987. The City was founded in 1793 and incorporated in 1830.

Government

The City is operated by a Council-Manager form of government. The City Council comprises nine members who are elected at large to serve four-year terms. The elections are held biennially with five members being elected in one biennium and four in the next. The Mayor and Vice-Mayor are elected by members of the City Council from its membership.

The City Manager is appointed by the City Council as the Chief Executive Officer of the City and is responsible to the City Council for the proper administration of the City government. He appoints all department heads of the City, with the exception of the City Attorney, City Clerk and certain elected officials.

The City currently employs approximately 966 full-time and 155 part-time employees.

All services normally offered by municipalities are provided by the City, including the operation of a utilities department that provides water, sewer, gas, electric and telecommunications services.

The School Board members are elected by the voters at large. Under Virginia law, all operations of the School Board are completely independent of the City Council and the City Administration. The City Council is required to make an annual appropriation to the School Board, but has no legal authority to direct how the appropriated moneys are spent. The School Board currently employs approximately 1,120 full-time employees.

Labor Relations

As part of the 2020 legislative session, the Virginia General Assembly voted to provide localities the authority to recognize labor unions or employee associations as bargaining representatives of any public employee bargaining unit for purposes of bargaining collectively for terms and conditions of employment. The legislation was subsequently signed by the Governor with an amendment making this legislation effective May 1, 2021. To date, the City Council has not adopted an ordinance or resolution authorizing collective bargaining or allowing any such union or employee association to be recognized as an exclusive bargaining representative.

Under Virginia law, any employees of the City, who, in concert with two or more other such employees, for the purpose of obstructing, impeding or suspending any activity or operation of their employing agency or any other governmental agency, strikes or willfully refuses to perform the duties of their employment, shall, by such action, be deemed to have terminated their employment and shall thereafter be ineligible for employment in any position or capacity during the next twelve months by the Commonwealth, or any county, city, town or other political subdivision of the Commonwealth, or by any department or agency thereof.

The City has neither negotiated nor bargained with its employees in any manner concerning any aspect of the terms and conditions of the employment of its employees.

Pursuant to Virginia law, the City provides a grievance procedure for the resolution of various personnel complaints.

Certain City Officials and Administrative Staff Members

City Council

The current members of the City Council are:

Alonzo L. Jones, Mayor, has served on City Council since 2010. He served as Vice Mayor from July 1, 2016 to June 30, 2018. On July 1, 2018, he was elected by Council to serve as Mayor and was re-elected as Mayor in 2020 and 2022. Mr. Jones received his education in Danville Public Schools and served in the United States Armed Forces. Mr. Jones is a Commissioner for Danville Redevelopment and Housing Authority, serves on the Board of Directors for the Center for Early Success and College Bonanza, and serves on the Board of Directors for the Blue Ridge Chapter of the American Red Cross. Additionally, he is a Royal Mason at Danville Royal Lodge #104 and a member of American Legion Post 29. He is the Founder and President of One Accord Unlimited, Inc. and owner of JKLIPPERZ Barbershop. In February 2022, he received the Humanitarian Award from the Danville chapter of the NAACP in honor of his dedication and advocacy in the community. In 2023, he was awarded the Hall of Fame Award by Big Brothers, Big Sisters of Danville Area. In 2024, he received the Appreciation Award for his outstanding community service to the City of Danville from the Rho Iota Chapter of Omega Psi Phi Fraternity, Inc. Mr. Jones is a past school board member for Danville Public Schools, appointed by Council in 2004 and elected in 2006, and former member of the BB&T Advisory Board.

Gary P. Miller, M.D. F.A.C.C., Vice Mayor, a local cardiologist, has served on City Council since 2008. Dr. Miller has served as Vice Mayor since July 2020. Dr. Miller received his Bachelor of Science in Biology in 1970 from Virginia Polytechnic Institute and State University in Blacksburg and his medical degree at the Medical College of Virginia (now VCU Health System). He was the Fifth District representative to the Virginia Board of Medicine, appointed by Governor Allen from 1997 to 2001, and has served as a Counselor to the Medical Society of Virginia for the Fifth District. He is the co-owner and President of Cardiology Consultants of Danville, Inc. Dr. Miller currently serves on the Board of the Danville-Pittsylvania Regional Industrial Facility Authority (“RIFA”) and the Danville Utility Commission.

James B. Buckner has served on City Council since 2014. Prior to serving on City Council, Mr. Buckner was appointed by the City Council to the Fair Housing Board for the City in 2012 and served in such capacity until his election to City Council. A native of the City, Mr. Buckner graduated from George Washington High School in 1997. He worked for Dan River Mills/Schoolfield Division, Dimon Tobacco, and then owned and operated The Temple nightclub in downtown Danville. He later worked at Goodyear Tire and Rubber in Danville before leaving to open Pawn Shops America in 2009, which he sold in 2016. Mr. Buckner is a realtor with Wilkins & Co. Realtors and currently serves on the boards of the West Piedmont Planning District Commission, the Metropolitan Planning Organization and the Transportation Advisory Board.

L. G. “Larry” Campbell Jr. has served on City Council since 2008 and has served as Co-Assistant Pastor at Bible Way Cathedral Church since 1994. The Rev. Campbell received his Bachelor of Arts in History from Averett University and his Master’s degree in Guidance from North Carolina A & T University. He serves as a board member for Goodwill, Daden, Rotary Club, Big Brothers and Big Sisters, the Boys and Girls Club, the Ministers Alliance, Head Start and Neighbors Helping Neighbors. The Rev. Campbell is Vice President of the NAACP and serves on the Staunton River RIFA and the Community Health Coalition. He founded the Wisdom in Networking Program (an ex-offender back-to-work initiative).

Bryant Hood has served on City Council since 2020. Mr. Hood studied at George Washington High School, is the founder and CEO of The Stayhood Foundation and Economics Through Edutainment (ETE) and is a Qualified Mental Health Paraprofessional with Focus Point Mental Health. Mr. Hood currently serves on the Danville Development Council and the board of the Dan River Business Development Center.

Barry P. Mayo was elected to City Council in May 2020. He is a native of Danville and a graduate of George Washington High School. He attended the University of New York and Northcentral University, where he received his bachelor’s degree in Liberal Arts and a master’s degree in Education Athletic Administration, respectively. Mr. Mayo currently works at Danville Community College with the TARE and SCALE-UP programs, which focus on training citizens of the City and Pittsylvania County for employment, job preparation and short term career studies.

Previously, Mr. Mayo worked with Pittsylvania Community Action for twelve years, including serving as a Case Manager for SouthWest Cares assisting ex-offenders re-entering the community. Mr. Mayo also worked for District 14's Probation & Parole, assisting returning citizens with the re-entry process. Mr. Mayo has served as a mentor for young men ages 8-18 and has been active in the community throughout his life. He currently serves on the Board of Directors for Piedmont Access to Health Services and on the board of Pittsylvania County Community Action.

Sherman M. Saunders was appointed to City Council in December 2001 to fill an unexpired term. He had previously served on City Council from 1996 to 2000 and was subsequently re-elected in 2004, 2008, 2012, 2016 and 2020. Mr. Saunders became Mayor in January 2008 and served through June 2016. Mr. Saunders is retired, most recently serving as the Executive Director for Pittsylvania County Community Action, Inc. Mr. Saunders serves on the Employee Retirement System Board of Trustees, Danville-Pittsylvania County RIFA, and Staunton River RIFA. He previously served on the Board of Directors of the Pittsylvania Economic Development Organization and Roman Eagle Nursing Home. He is a former Board member of the Danville Chamber of Commerce and past president of the Pittsylvania County Chamber of Commerce. Mr. Saunders is past President of the Virginia Council Against Poverty, past President of Region III Community Action Agencies for the states of Pennsylvania, Delaware, Maryland, Virginia, West Virginia and Washington, D.C, and former Chairman of the Board of Directors of the Dan River Business Development Center.

J. Lee Vogler, Jr. has served on City Council since 2012. Mr. Vogler served as Vice Mayor from July 2018 to June 2020. A native of Danville, Mr. Vogler graduated from Virginia Commonwealth University in 2010 with a bachelor's degree in Political Science. He is currently employed as the Managing Partner for Andrew Brooks Media Group. Mr. Vogler is involved in several community activities including serving as Chairman of the Danville-Pittsylvania County RIFA, as well as serving on the Staunton River RIFA, the Danville-Pittsylvania Metropolitan Planning Organization, and the West Piedmont Planning District Commission. He has served several years on the Executive Committee for the Harry Johnson Holiday Classic. He is also a Past President, and current member, of the Danville Kiwanis Club. In 2017, Mr. Vogler was recognized by the Virginia Chapter of the American Planning Association as Virginia Local Legislator of the Year. In 2022, he was appointed by Governor Glenn Youngkin to the Virginia Small Business Commission.

Madison J.R. Whittle has served on City Council since 2016. A native of Danville, he attended Sacred Heart Catholic School, graduated from George Washington High School, and became a local entrepreneur and small business owner. In 1988, he founded MJRW, Inc., and has gone on to strengthen his expertise in real estate, specifically in property management as owner-developer of numerous residential and commercial properties throughout the City of Danville and other areas. Mr. Whittle is a member of the Danville Rotary Club and has been honored as a Paul Harris Fellow Sustainer. He is also a member of the Danville Pittsylvania County Chamber of Commerce and the Danville Cancer Society and a founding member of the Crossroads Christian Counseling Mission. Mr. Whittle is also a club member at the Virginia International Raceway in Alton, Virginia.

City Staff

Senior members of the City staff include the following individuals:

Kenneth F. Larking, City Manager, began work for the City of Danville in March 2013 as Deputy City Manager. He served as interim City Manager from December 2015 until April 2016, at which time he was appointed City Manager. Mr. Larking began his local government career as the Budget and Performance Manager for the City of Hickory, North Carolina, from April 1999 to January 2003, before serving as Town Manager of Yadkinville, North Carolina, from January 2003 to February 2010. He subsequently served as Assistant County Manager of Moore County, North Carolina, from February 2010 to March 2013. Mr. Larking received his B.A. and M.P.A. from Appalachian State University in 1995 and 1999, respectively. Mr. Larking was born in Kitchener, Ontario, Canada and spent his childhood in Alberta, New Jersey, Texas, Arizona, and North Carolina, where he graduated from high school. Mr. Larking serves as Treasurer for Virginia First Cities, is a member of the International City/County Manager's Association, and the Virginia Local Government Management Association. In July 2022, he was awarded a certificate of completion for the Senior Executives in State and Local Government Program at the John F. Kennedy School of Government at Harvard University.

Earl B. Reynolds, Jr., Deputy City Manager, received his B.S. from Fayetteville State University in 1973. He went on to receive his M.A. degree and later his M.S. from the State University of New York, Albany, in 1974 and 1978, respectively. He has been involved in Virginia local government for almost 40 years as a regional planning district program specialist, Planning Chief and Assistant City Manager for Roanoke, City Manager for Martinsville, Deputy Housing Authority Director for Roanoke, Community Development Director and now Deputy City Manager for Danville. Mr. Reynolds has also served as President of the Virginia Municipal League and President of the Virginia Local Government Management Association.

Susan M. DeMasi, City Clerk, is a certified Municipal Clerk having received certification from IIMC Municipal Clerk's Institute. Ms. DeMasi was formerly a Legal Assistant at the law firm of Daniel, Medley & Kirby in Danville, Virginia. In 2011, she was appointed by the City Council as the City Clerk. Ms. DeMasi is an active member of the International Institute of Municipal Clerks and Virginia Municipal Clerks Association.

W. Clarke Whitfield, Jr., City Attorney, received his B.A. from the University of Virginia in 1990 and his J.D. from Regent University School of Law in 1993. Mr. Whitfield was in private practice from 1993 to 1998. He was appointed Assistant City Attorney in 1998 and appointed City Attorney on June 1, 2004. Mr. Whitfield is active in various professional and community organizations. He served as a member of the board of directors and as the President for the Local Government Attorneys of Virginia (having also served as the Treasurer and Vice President), as well as the past President of the Pittsylvania County Bar Association, the Danville Bar Association and the Danville Optimist Club.

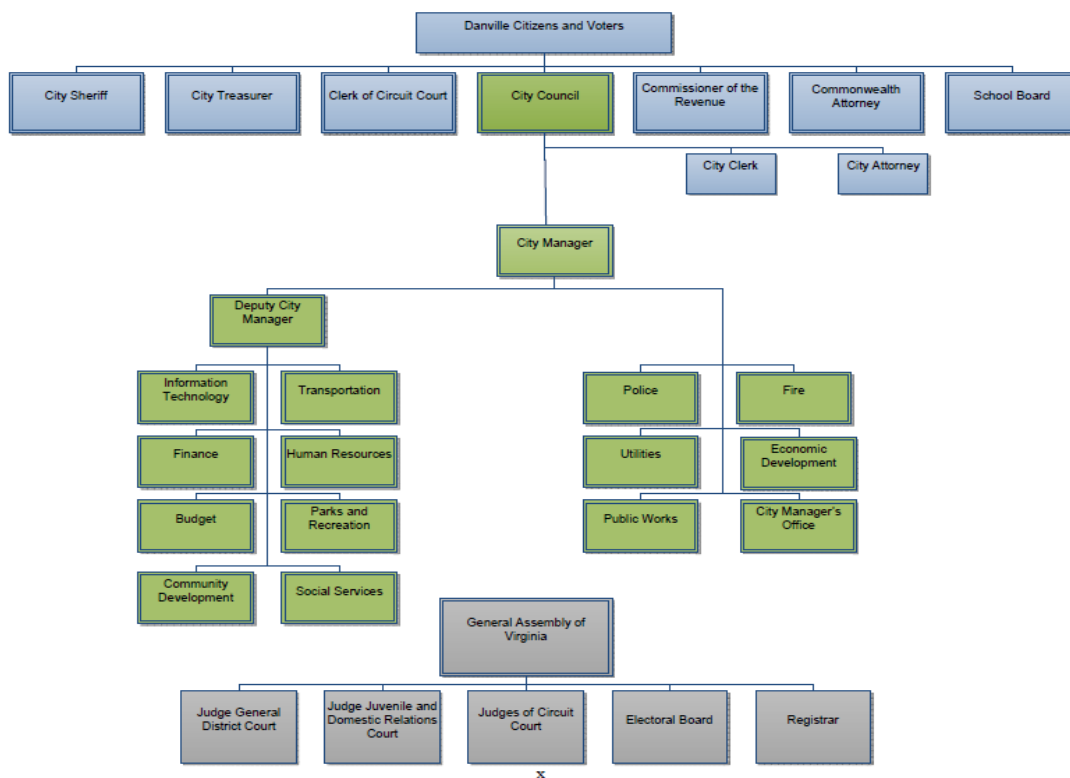
Michael L. Adkins, CPA, Chief Financial Officer, received his B.S. in Accounting from Virginia Polytechnic Institute and State University in 1992 and his Certified Public Accountant Certificate in 1993. He received his M.B.A. from Averett University in 1996, where he also served as an adjunct faculty member. Mr. Adkins was employed in both public accounting and private industry prior to his employment with the City. Mr. Adkins began his career with the City in May 2005 as Assistant Director of Finance and began serving as Interim Director of Finance in July 2014, before being appointed as the Director of Finance in October 2014, and later named Chief Financial Officer in 2021. He also serves as Treasurer of the Danville-Pittsylvania Regional Industrial Facility Authority and Executive Secretary of the Employees Retirement System of the City of Danville. Mr. Adkins is a member of the Government Finance Officers Association and the Virginia Government Finance Officers Association.

Henrietta Weaver, CPA, Budget Director, received her B.S. in Accounting and her master's degree in Accountancy from Georgia Southern University. She is a Certified Public Accountant and is licensed in Virginia, North Carolina, and Georgia. Ms. Weaver worked in public accounting as an external auditor of governmental entities and non-profits for nearly a decade before joining the City of Danville in 2015. Ms. Weaver began her career with the City as an Accountant III, providing accounting and reporting services for the Employees' Retirement System, the City's utility funds, and the Danville Pittsylvania Regional Industrial Facility Authority. In 2021, Ms. Weaver was promoted to the position of Budget Director. She is a member of the Government Finance Officers Association and the Virginia Government Finance Officers Association.

Corrie Bobe, Director of Economic Development and Tourism, joined the department in November 2009. In this role, Ms. Bobe is responsible for leading the organization's mission to improve the economic health and quality of life of the City through the creation and retention of jobs, building of local wealth, and increasing the tax base. Prior to this position, Ms. Bobe served as Assistant Director and led redevelopment efforts within Danville's award-winning River District. She also serves as staff to the Industrial Development Authority of Danville, Virginia, the Danville Pittsylvania Regional Industrial Facility Authority and the Staunton River Regional Industrial Facility Authority. Ms. Bobe is a member of the West Piedmont Workforce Investment Board, a member of the Virginia Economic Developers Association where she serves as co-chair of the Downtown Special Interests Group, a member of the International Economic Development Council, Secretary of the Dan River Business Development Center Board of Directors, Chair of the Southern Virginia Regional Alliance, and a member of the SOVA Taskforce. Ms. Bobe is a native of Danville and graduated from Virginia Tech with a Bachelor of Science degree in Marketing Management. She is also a graduate of the University of Oklahoma's Economic Development Institute and the Danville Pittsylvania County Chamber of Commerce's Leadership Southside program. Ms. Bobe has been named to the Virginia 500 Power List by Virginia Business Magazine for three consecutive years.

Dr. Angela Hairston, Ed.D., Superintendent of Danville Public Schools, has served in such role since December 2020. Prior to her appointment, she served as Superintendent of Winston-Salem/Forsyth County Schools in North Carolina. She is a native of Southside Virginia and completed her secondary education in the Pittsylvania School System. She received a Bachelor's degree in Mathematics and Business Management from Averett University and began her career in education in the Halifax County and Virginia Beach School systems before returning to Danville to teach mathematics at George Washington High School. Dr. Hairston later served as the first principal of Westwood Middle School. Dr. Hairston continued her education by earning a Master's degree in Secondary School Administration from Hampton University in Hampton, Virginia, and a Doctorate Degree in Educational Leadership from Virginia Polytechnic Institute and State University in Blacksburg, Virginia. Dr. Hairston continued her career in the state of Georgia serving as a director of human resources, a principal, and an assistant principal for the Gwinnett County Public Schools, as a region superintendent and principal for the DeKalb County School District and as a superintendent for localities in Georgia and North Carolina.

City of Danville Organizational Chart



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Utility Systems

The Department of Utilities provides water, wastewater, natural gas, electric and limited telecommunications services.

Water/Wastewater System. The City has owned and operated a potable water supply system since 1876. The water treatment plant has a design capacity of 18 million gallons per day (“MGD”) and is presently treating about 5.27 MGD. The system now consists of approximately 2,116 hydrants and approximately 336 miles of distribution mains ranging in size from 2” to 36” and serves approximately 17,682 residential, commercial and industrial accounts within the City limits. It complies with the Waterworks Regulations of the Commonwealth of Virginia State Board of Health and regulations of the federal Environmental Protection Agency. The system also serves customers outside the City limits through master meters to the Pittsylvania County Service Authority and two master meters to Caswell County, North Carolina.

The water distribution grid consists of six service areas - one service area supplied from the Ballou Park Reservoirs (one holding up to eight million gallons and one holding up to four million gallons) and a Westover standpipe and five high-pressure service areas at higher elevations with storage tanks supplied by pumps. Total aggregate storage on the system is 16.45 million gallons. Static pressures in the system range from 20 pounds per-square-inch (“PSI”) at the higher elevations to over 90 PSI at the lower elevations. Distribution mains in the older sections of the City are over 100 years old and are being replaced or renovated.

Major future system initiatives in the City’s Capital Improvement Program include replacement of mains, extensions into the unserved portions of the City and replacement of major water distribution mains in Ballou Park. A recent Water Treatment Plant project included the installation of mixing and aeration equipment in the eight-million-gallon reservoir to reduce trihalomethane levels below state and federal levels. In 2022, the City completed its Water Systems Master Plan, outlining the City’s construction program for the system over a 10-year period. This plan identified various infrastructure improvements and modifications. Main replacements are prioritized according to industry criteria. The Water Treatment Plant has a design capacity of 18 MGD, and the average monthly production is 5.23 MGD.

The City’s Industrial Water System was constructed in 1966. It has a capacity of three MGD with 3% of the capacity now being used. This system provides industrial “process” water for Goodyear Tire and Rubber Company and serves as a backup non-potable water supply for the City’s Southside pumping station and Northside Wastewater Treatment Plant (“NSWWTP”). Reserve capacity is available to serve additional industrial customers.

The City’s wastewater treatment facility has a design capacity of 20.0 MGD. Present usage is about 6.29 MGD, down substantially over recent years due to manufacturing plant closures in the community. A \$7.3 million improvement project was completed in 2000 to address maintenance needs, reserve capacity and additional requirements imposed by regulatory agencies. The City completed modifications to the plant in 2012 to allow operations at reduced capacities of 6 to 12 MGD in order to lower operating costs. These modifications changed the plant process from a pure oxygen activated sludge plant to a conventional activated sludge plant using ambient air. Plant modifications also included converting the two floatation grit separators into high-rate primary clarifiers. The NSWWTP, which includes the plant, nine system pump stations, the industrial pre-treatment program and bio-solids disposal, is operated by INFRAMARK Water & Infrastructure.

Gas System. The City’s gas system is one of three municipally-owned gas utility systems in the Commonwealth. The gas system began business on January 27, 1874, and was delivered into possession of the Town of Danville on May 1, 1876. It manufactured coal gas that was used to light the streets of Danville. On December 5, 1950, the system was switched from manufactured gas to natural gas, and Danville became the first customer to receive gas on the Transcontinental Gas (“TRANSCO”) pipeline.

The TRANSCO pipeline is a 10,500-mile system that transports natural gas to markets in the eastern United States. It secures natural gas from onshore and offshore wells in Texas and Louisiana and supplies a portion of the natural gas requirements for cities from Texas to Pennsylvania. The City’s gas system is connected only to the TRANSCO pipeline. The City Gate Station is located 2.5 miles west of the City limits. From this location, two steel mains carry gas into the City at 285 PSI to supply the gas distribution grid.

The distribution system contains 12 district regulator stations that supply suitable pressures to customers via approximately 337 miles of distribution mains, ranging in size from 1¼” to 16”. Gas is distributed to approximately 14,761 service accounts, including the following large industries: Goodyear Tire and Rubber Company, Blue Ridge Fiberboard, Tyson Foods, DanChem Technologies, Nestle, Intertape Inc. and Unarco. The distribution grid supplies gas at intermediate- and low-pressures through a system of steel, cast iron and polyethylene plastic gas mains.

The City has contracted with Symmetry Energy Solutions to manage its natural gas capacity and storage assets. TRANSCO capacity assets consist of 16,910 dekatherms per day of firm transportation, plus 3,876 dekatherms per day of storage service, for a total deliverability of up to 20,786 dekatherms per day to the City Gate. Gas supply is provided at a discount through a municipal prepay arrangement with Municipal Energy Resource Corporation.

Electric System. The City’s electric distribution system covers approximately 500 square miles, including the City and portions of three adjacent counties. The 1,800 miles of 12,470/7,200-volt distribution lines originate from 17 substations that are serviced by 122 miles of 69,000-volt transmission lines. As of June 30, 2024 approximately 42,830 meters were in service. The typical residential customer paid an average annual bill of \$1,763.39 for electricity used domestically. In March 2006, the City became a member of American Municipal Power, Inc. (“AMP”). AMP is a nonprofit wholesale power supplier and services provider for 131 member communities in eight states. The objective of the membership is to obtain a cost-effective, diversified portfolio of electric generation assets and a power supply contract consistent with the City’s self-sufficiency strategy to meet the electric needs of its utility customers. The City has multiple contracts with AMP to participate in large generating projects. Such projects are intended to decrease exposure to the volatility of the wholesale energy market for the purchase of electric power. These projects are also intended to be the means for the City to stabilize future retail rates.

The City’s electric system served a peak load of 218,029 kilowatts (“kW”) with 929,694,814 kilowatt hours (“kWh”) of energy purchased for the fiscal year ended June 30, 2024. The City sold a three-unit hydroelectric generating plant with a maximum capacity of 10,607 kW and a 450-kW unit at the Talbott Dam site to Northbrook Energy on February 10, 2021. The City purchases all of the energy, capacity, and renewable energy credits associated with this small hydro facility. For fiscal year ending June 30, 2024, Pinnacles generated 25,702,670 kWh of energy. Appalachian Electric Power also provides transmission service for all purchased power to three of the City’s delivery points. Each delivery point has a capacity of 252,000 kW, which is just above the system’s historic consumption of 246,800 kW.

In January 2016, the City and STS Hydropower finalized a twenty-year agreement for the City to purchase 4.55 megawatts of electricity generated at the Schoolfield dam located in the City. Both the City Council and the Utility Commission unanimously approved the project. The agreement became effective on December 1, 2016, and expires on November 30, 2036. The terms include a \$63.50/megawatt hour rate with a 1.75% annual escalation. The generation represents approximately 1% of the City’s peak load.

The City recently completed improvements to its electric system generation, transmission, substation and distribution facilities, including upgrades to the Airside substation in January 2024. The City also added a fourth delivery point with Appalachian Power, a subsidiary of AEP, in July 2024 at the West Ford substation.

The City maintains a Five-Year Capital Improvement Plan (the “CIP”) for major infrastructure improvements funded through electric system revenues, reserves, and proceeds from the issuance of bonds. See “*CITY INDEBTEDNESS AND CAPITAL PLANS – Capital Improvement Plan.*” In addition, the City’s annual operating budgets include funding for ongoing operating, maintenance, and capital upgrade needs to provide reliable, cost-competitive electric power for its customers and offer an attractive electric power supply to potential businesses and industries looking at sites within the Danville service area.

Telecommunications System. The State Corporation Commission of the Commonwealth granted the City (d/b/a Danville Department of Utilities) a certificate of public convenience and necessity on November 1, 2002, to provide local exchange telecommunications services in the City and the Counties of Halifax, Henry, Patrick, and Pittsylvania. The City is also registered with the Federal Communications Commission as a telecommunications service provider.

The City completed the initial construction of “nDanville” in 2004. nDanville is a 154 route-mile fiber optic broadband network that covers the City and Pittsylvania County. Phase One involved connecting all municipal government and public school buildings, and Phase Two allowed nDanville to start serving businesses.

nDanville’s open access architecture provides opportunities for service providers to take advantage of a municipally constructed and operated telecommunication system to conduct business in return for a share of their revenues. As described below, the business model allows service providers to make use of nDanville as if it were their own network by activating and deactivating customer services freely without the interaction of the network operator (i.e., Danville Utilities). The open access model provides an equal “broadband marketplace” that promotes competition.

nDanville’s operating principle, since its inception, is that the City’s businesses, institutions, and households should have affordable broadband services on par with those available elsewhere in the Commonwealth in order to ensure access to entertainment, cultural, health and especially educational and economic opportunities. Many advanced broadband applications require fiber optic communications, particularly those requiring symmetrical up and down bandwidth greater than a few megabits per second. Conventional cable and DSL services offer only limited asymmetrical bandwidth.

Gross operating revenues were \$884,895 during fiscal year 2024. This compared favorably to the prior fiscal year, showing an increase of approximately \$25,052. Currently, there are over 200 businesses and 300 residences connected and using the network through third-party service providers. The City and the service providers enter into revenue sharing agreements that provide funding for the network. Revenues are also generated by services rendered to the City’s public schools and Pittsylvania County public schools. Payments for services to schools and libraries are subsidized with federal “E-Rate” funds.

Transportation

The transportation network supporting commerce and industry in the City includes general aviation service at Danville Regional Airport, rail passenger service by Amtrak, rail freight service by Norfolk Southern Railway and a local public transportation service. The major highways include U.S. 29, a divided four-lane north-south route, and U.S. 58, a divided four-lane east-west route.

Air Service. The City owns the Danville Regional Airport, which is located just east of the City and supports air freight, charter services, flight instruction and corporate business aviation activities.

Passenger Rail Service. Amtrak has one northbound and one southbound train per day serving the City, providing transportation to New York, New York; Washington, D.C.; New Orleans, Louisiana; Charlotte, North Carolina; and other points.

Trucking. Five motor freight carriers have terminals in the City, and numerous carriers offer daily local service from nearby cities.

Public Transportation. The Danville Transit System provides public transportation service through a unique service model combining fixed route and reservation based operations to improve access and convenience. The system maintains a 27-bus fleet.

Public Education

The Danville Public Schools are organized into four instructional levels—two preschools, seven elementary schools, two middle schools, one alternative school and two high schools. George Washington High School offers a comprehensive high school program. Galileo Magnet High School offers an International Baccalaureate Program. R.I.S.E. Academy serves students in grades 6-12 needing more individualized educational programs to be successful. Also at R.I.S.E. Academy is a credit recovery program for students who work individually using technology to complete one course at the time. Students also attend programs through the Piedmont Governor’s School for Math, Science and Technology, the Academy for Engineering and Technology, the Early College Program at Danville Community College, as well as the Adult and Career Education Center. W.W. Moore Detention Home Program also has an educational program for students.

The entering total public school enrollment for the past five years is set forth in the table below:

2020-2021	2021-2022	2022-2023	2023-2024	2024-2025
5,583	5,736	5,557	5,588	5,590

While current school sites were constructed over a period from 1934 to 1995, there is an ongoing maintenance and improvement program. All sites have been upgraded with high-speed local area computer networks that interconnect all classrooms and administrative functions through a wide area network that provides Internet access throughout the system.

In April 2022, the City issued its \$127,000,000 General Obligation School Bonds, Series 2022, to finance a program of capital improvements for school purposes. Such school bonds were issued after the City voters approved at a referendum in November 2021 both the issuance of such bonds and the imposition of additional sales tax and a local use tax of up to 1% to finance the costs of school projects (including associated debt service). The authority to impose such additional taxes will expire in May 2041.

The School Board anticipates using the proceeds of such school bonds to pay for a program of capital improvements benefitting Danville Public Schools, including without limitation: renovations to George Washington High School including the interior and exterior of the main building, the career and technology classrooms, gym, cafeteria, and outdoor recreational areas. Uses also include a replacement school at Johnson Elementary School and renovations to the Langston High School site.

Higher Education

Danville Community College (“DCC”) is a two-year institution of higher education under the statewide Virginia Community College System. DCC’s service area includes the City of Danville, Pittsylvania County and Halifax County. DCC, its employees, and students are governed by the policies established by the State Board for Community Colleges and with the support and advice of the Danville Community College Board. DCC offers a wide variety of programs ranging from college transfer to occupational and technical programs. DCC also offers a comprehensive program of adult and continuing education, career training, and customized classes to meet the needs of business and industry. For the start of the 2024-2025 academic year, DCC had a total estimated enrollment of 1,531 full-time students.

Averett University, founded in 1859, is a private, co-educational, liberal arts institution located in the City, offering undergraduate and graduate degree programs. Averett University has a total enrollment of more than 1,300 students representing 24 states and 20 countries, and offers more than 40 undergraduate programs and 12 graduate degree programs. Averett University also offers evening and summer programs, as well as online education courses, for traditional and non-traditional students in numerous locations across Virginia.

Medical

Sovah Health – Danville (formerly Danville Regional Medical Center), located in the City, provides acute and emergent care services to the citizens of the City and the counties of Pittsylvania, Virginia, and Caswell, North Carolina. Sovah Health – Danville is currently licensed for 250 beds and 20 bassinets. The hospital has comprehensive surgical services, 24-hour emergency services, an advanced wound healing center, cardiac rehabilitation center, two cardiac catheterization labs, a one-day surgery center, and medical & radiation oncology services. Sovah Health – Danville is accredited by American College of Cardiology Accreditation Services for Chest Pain Center, Heart Failure & Cardiac Cath Lab; recognized by The Joint Commission as a Certified Advanced Primary Stroke Center; accredited by the American College of Surgeons’ Commission on Cancer; and is a member of the Duke Heart Network and Duke Telestroke Network.

ECONOMIC AND DEMOGRAPHIC DATA

Population

The following table indicates the City's and the Commonwealth's comparative population data since 1980.

	1980	1990	2000	2010	2020	2023*
City of Danville	45,642	53,056	48,411	43,055	42,590	42,248
Commonwealth of Virginia	5,346,818	6,187,358	7,078,515	8,001,024	8,644,727	8,729,032

Sources: U.S. Census Bureau; Weldon Cooper Center for Public Service, University of Virginia.

* July 1, 2023, estimate (latest information available).

Employment

The Danville-area industries have diversified considerably since the City's historic focus on textiles, tires, tobacco and glass.

Selected data are presented below to illustrate employment conditions in the City.

NON-AGRICULTURAL EMPLOYMENT FOR THE CITY OF DANVILLE

Industry	Average Employment
Health Care and Social Assistance	5,422
Manufacturing	3,804
Retail Trade	3,648
Accommodation and Food Services	3,341
Educational Services	1,885
Public Administration	1,028
Other Services (except Public Administration)	880
Administrative, Support, Waste Management	768
Professional, Scientific, and Technical Services	742
Finance and Insurance	572
Wholesale Trade	560
Transportation and Warehousing	543
Construction	393
Real Estate and Rental and Leasing	337
Arts, Entertainment, and Recreation	293
Management of Companies and Enterprises	148
Information	112
Unclassified Establishments	104
Agriculture, Forestry, Fishing and Hunting*	0
Utilities*	0
TOTAL	24,733

Source: Virginia Employment Commission. Second Quarter of 2024 Quarterly Census of Employment and Wages (latest information available).

* Confidential data.

TEN LARGEST EMPLOYERS IN THE CITY OF DANVILLE

The following table sets forth the ten largest employers in the City as of June 30, 2024:

Employer	Product	Estimated Employment
Goodyear Tire & Rubber Co.	Manufacturer	1,979
Sovah Health	Medical Services	1,442
Danville City Public Schools	Education	1,179
City of Danville	Government	1,120
Caesars Entertainment	Casino	420
Buitoni Food Co.	Manufacturer	350
EPL America (Essel Propack)	Manufacturer	322
Danville Pittsylvania Community Services	Social Services	255
EBI	Manufacturer	243
Roman Eagle	Healthcare/Retirement	240

Source: Department of Finance, City of Danville.

Unemployment

The following tables show various unemployment data for the City and the Commonwealth since 2014:

Year	Labor Force	City of Danville		Commonwealth of Virginia		
		Unemployed	Unemployment Rate	Labor Force	Unemployed	Unemployment Rate
2014	19,649	1,673	8.5%	4,258,856	217,948	5.1%
2015	19,184	1,365	7.1	4,233,981	185,900	4.4
2016	19,125	1,141	6.0	4,254,348	169,526	4.0
2017	20,117	1,126	5.6	4,352,977	159,687	3.7
2018	19,654	1,003	5.1	4,359,053	130,779	3.0
2019	19,201	950	4.9	4,419,378	122,113	2.8
2020	19,110	1,912	10.0	4,332,338	278,951	6.4
2021	18,558	1,171	6.3	4,315,045	166,870	3.9
2022	18,699	838	4.5	4,427,292	122,533	2.8
2023	19,192	877	4.6	4,555,208	131,053	2.9
2024*	19,143	1,208	6.3	4,606,113	152,131	3.3

Source: Bureau of Labor Statistics.

* As of July 2024 (latest information available for the City).

Per Capita Personal Income Estimates

The following table shows the per capita income estimates for the Danville Micropolitan Statistical Area (“MSA”) and the Commonwealth since 2016.

	2016	2017	2018	2019	2020	2021	2022
Danville MSA	\$33,433	\$34,582	\$35,835	\$37,261	\$40,604	\$43,930	\$44,986
Commonwealth of Virginia	52,659	54,380	56,133	58,368	61,474	66,838	68,985

Source: U.S. Department of Commerce, Bureau of Economic Analysis.

* Latest information available.

Note: Danville MSA includes the City and Pittsylvania County.

Taxable Retail Sales

The City's retail sales information for the calendar years 2014 through 2023 is presented below.

Calendar Year	Taxable Retail Sales ⁽¹⁾
2014	\$ 737,900,623
2015	770,375,645
2016	787,030,012
2017	793,761,924
2018	801,635,146
2019	781,216,282
2020	817,774,685
2021	916,459,674
2022	962,299,795
2023	1,030,993,758

Source: Virginia Department of Taxation.

⁽¹⁾ Includes only those sales subject to Virginia Sales and Use Tax.

Building Permits

The value of building permits issued for each of the past ten fiscal years is shown below:

Fiscal Year	Residential		Commercial		Total	
	No.	Value	No.	Value	No.	Value
2015	559	5,366,361	161	44,285,872	720	49,652,233
2016	377	3,650,832	182	43,222,570	559	46,873,402
2017	328	3,426,354	159	50,193,652	487	53,620,006
2018	253	3,178,468	136	30,694,033	389	33,872,501
2019	334	3,877,530	157	27,445,899	491	31,323,429
2020	298	3,262,691	143	53,824,986	441	57,087,677
2021	145	3,076,134	114	30,148,737	259	33,224,871
2022*	340	8,139,482	166	216,198,056	506	224,337,538
2023*	406	10,555,786	249	255,492,401	655	266,048,187
2024	409	12,381,517	228	228,145,961	637	240,527,477

Source: Inspection Division, Department of Engineering, City of Danville.

* Data for Fiscal Years 2022 and 2023 [and 2024?] includes the initial construction permits related to the casino development described in the section below.

Casino Development

At a referendum held on November 3, 2020, City voters approved the location of a casino gaming establishment at the former Dan River Mills Schoolfield Division site within the geographic boundaries of the City. Regulatory approval was granted by the Virginia Lottery Board and in September 2020, the City negotiated a comprehensive casino development agreement (the "Casino Agreement") with Caesars Entertainment ("Caesars"), providing for the details of the casino project that Caesars proposes to build and its financial commitments to the City. The Casino Agreement (as amended and restated in May 2024) states that Caesars will make an initial capital investment of at least \$750 million to develop the project on the Schoolfield site, including a casino, restaurant options, a 300-room hotel and 40,000 square feet of conference center space. Caesars has estimated that the project will result in approximately 900 construction-related jobs during the development of the project and that, upon completion, the casino's operations will require between 900 and 1,300 full-time equivalent employees on an annualized basis.

The Casino Agreement requires Caesars to make a lump sum payment of \$15 million to the City and a payment of \$5 million to purchase the Schoolfield property from the City's economic development authority. The Casino Agreement also provides for Caesars to pay an annual gaming fee as well as applicable fees and taxes imposed by the City and the Commonwealth. The annual gaming fee is determined pursuant to a revenue sharing formula, but Caesars has agreed to a minimum annual payment of \$5 million, which began September 1, 2023. After combining the gaming fee payments to be received from the revenue sharing formula with Caesars and the City's share of the related state and local fees and taxes to be paid by Caesars, the City expects to receive 8.5% of the first \$200 million in adjusted gross receipts derived from the casino resort operations, 13% of adjusted gross receipts between \$200 million and \$400 million, and 18% of adjusted gross receipts that exceed \$400 million. Caesars has estimated that, within the first three years of the commencement of full resort operations, new annually recurring revenues to the City (including the gaming fee and the applicable fees and taxes) will exceed \$30 million.

Pursuant to the Casino Agreement, in December 2020 Caesars made the lump sum payment of \$15 million to the City and purchased the Schoolfield property from the City's economic development authority for \$5 million, as discussed above. On September 16, 2021, Caesars unveiled the design plan for the casino, announcing that site preparation was already underway. In May 2023, Caesars erected a temporary structure on the site to house a temporary casino facility. The temporary casino facility has been generating average monthly net gaming revenues of nearly \$19 million, providing the City approximately \$1.6 million of revenue each month. The casino operated a temporary structure for all fiscal year 2024, with an average net gaming revenue exceeding \$19,000,000 each month. The permanent casino resort/hotel/conference center has announced an opening date of December 12, 2024.

FINANCIAL INFORMATION

Budgeting, Accounting, and Auditing

No later than April 1 of each year, the City Manager is required by the City Charter to prepare and submit to the City Council for its consideration a proposed annual budget (the "Budget") for the ensuing fiscal year beginning on the next July 1 and ending on June 30 of the following year. The Budget is to be based upon detailed estimates furnished by the departments and divisions of the City. No later than April 30, the City Manager, after consultation with the City Council, is required to have the Budget completed and ready for introduction at a regular or special meeting of the City Council. A public hearing on the Budget is held after a synopsis of the Budget is published in a newspaper having general circulation in the City and notice is given of the public hearing. After the conclusion of the public hearing, the City Council may insert new items of expenditure or may increase, decrease or strike out items of expenditure in the Budget, except for items of expenditure for debt service or items required by the City Charter or other provisions of law that cannot be reduced or stricken out. Prior to the beginning of each fiscal year, the City Council will pass an appropriation ordinance that will be based on the Budget submitted by the City Manager and will levy such taxes for the ensuing fiscal year as may be necessary to meet the appropriations not met by other revenues and all sums required by law to be raised for account of the City debt. The total amount of appropriations will not exceed the estimated revenues of the City.

A modified accrual basis of accounting is maintained for general governmental operations whereby expenditures are recorded when paid or when liabilities are incurred and revenues are recorded in the period when earned and available to fund appropriations for that period. The accrual basis of accounting is used in the Enterprise Funds and Internal Service Funds.

An annual audit is made of the accounts and records maintained in the offices of the Director of Finance and the School Board. The annual audit is made by independent certified public accountants appointed by the City Council. The financial statements of the City, presented in Appendix B to this Official Statement, are accompanied by a letter from Brown, Edwards & Company, L.L.P., Certified Public Accountants, Lynchburg, Virginia, the City's independent auditors. Brown, Edwards & Company, L.L.P., will not be reviewing any matters in connection with this Official Statement or any other matters related to the issuance of the Bonds.

Five-Year Summary of General Fund Revenues and Expenditures

The financial data presented below summarize General Fund revenues and expenditures for the past five completed fiscal years. Data for fiscal years 2020 through 2023 have been compiled from the City's audited financial statements for such fiscal years. Data for fiscal year 2024 is preliminary and unaudited. Financial data for the fiscal year ended June 30, 2023, should be read in conjunction with the related financial statements and notes thereto appearing in Appendix B.

FIVE-YEAR SUMMARY OF GENERAL FUND REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE

Revenues	Audited				(unaudited)
	2020	2021	2022	2023	2024
General property taxes	\$ 34,153,100	\$ 35,746,442	\$ 36,409,703	\$ 38,063,053	\$ 39,092,123
Other local taxes	27,164,991	30,105,742	33,123,711	37,598,436	48,014,066
Fines and forfeitures	312,163	291,892	259,670	219,762	222,177
Permits, privilege fees, and regulatory licenses	225,428	227,984	682,743	506,392	684,364
Revenue from use of money and property	1,138,935	406,128	(1,084,474)	987,126	5,657,403
Charges for services	3,614,031	3,150,022	2,670,780	2,898,129	1,938,226
Miscellaneous	71,956	293,667	164,833	114,343	128,925
Contributions		3,500	1,000	-	-
Recovered costs	7,125,623	7,247,169	6,929,265	7,527,089	10,007,079
Intergovernmental	19,658,583	19,458,370	19,733,440	22,062,558	36,548,228
<i>Total Revenues</i>	<i>\$ 93,464,810</i>	<i>\$ 96,930,916</i>	<i>\$ 98,890,671</i>	<i>\$ 109,976,888</i>	<i>\$ 142,292,591</i>
Other Sources:					
Utilities	15,353,000	15,353,000	16,382,603	15,717,500	15,588,000
Issuance of Debt	105,332	-	262,084	147,974	-
<i>Total Revenues and Other Sources</i>	<i>\$ 108,923,142</i>	<i>\$ 112,283,916</i>	<i>\$ 115,535,358</i>	<i>\$ 125,842,362</i>	<i>\$ 157,880,591</i>
Expenditures					
General government administration	\$ 10,583,130	\$ 11,365,262	\$ 10,891,991	\$ 13,054,516	\$ 14,484,021
Judicial administration	7,071,957	7,094,844	7,607,074	8,391,922	8,722,017
Public safety	30,116,548	28,368,548	30,744,593	35,002,931	39,242,575
Public works	3,439,511	3,513,922	4,646,665	4,942,275	4,965,092
Health and welfare	8,883,604	9,062,253	8,461,683	8,994,240	9,203,685
Education	20,989,478	20,599,440	25,880,622	18,502,936	31,394,888
Parks, recreation, and cultural	4,369,398	4,465,591	4,623,385	5,016,110	6,033,858
Community development	2,131,242	1,900,600	1,911,017	2,049,362	4,343,138
Non-departmental	7,031,629	9,445,878	11,299,582	11,638,443	11,138,516
Debt Service					
Principal	3,673,417	3,998,093	4,307,627	3,735,891	3,855,475
Interest/Other Charges	1,830,603	1,542,089	1,598,443	1,802,767	1,758,447
<i>Total Expenditures</i>	<i>\$ 100,120,517</i>	<i>\$ 101,356,520</i>	<i>\$ 111,972,682</i>	<i>\$ 113,131,393</i>	<i>\$ 135,141,712</i>
Operating Transfers/Out	5,432,050	7,147,993	4,248,960	4,052,358	13,824,911
<i>Total Expenditures and Other Uses</i>	<i>\$ 105,552,567</i>	<i>\$ 108,504,513</i>	<i>\$ 116,221,642</i>	<i>\$ 117,183,751</i>	<i>\$ 148,966,623</i>
Net changes in fund balance	\$ 3,370,575	\$ 3,779,403	(\$ 686,284)	\$ 8,658,611	\$ 8,913,968
Fund balance, beginning of year	\$ 39,940,514	\$ 43,311,089	\$ 47,090,492	\$ 46,404,208	\$ 55,062,819
Fund balance, end of year	\$ 43,311,089	\$ 47,090,492	\$ 46,404,208	\$ 55,062,819	\$ 63,976,787

Source: Department of Finance, City of Danville.

General Fund Budget

The financial data presented below summarizes the adopted General Fund Budgets for fiscal years 2024 and 2025.

GENERAL FUND BUDGETS FOR FISCAL YEARS 2024 AND 2025

	2024	2025
Revenues		
General Property Tax	\$ 38,630,730	\$ 43,479,280
Other Local Taxes	47,950,430	48,652,800
Licenses, Permits, Privilege	424,040	571,060
Fines/Forfeitures	320,240	258,000
Rev-Use Money/Property	1,968,270	3,255,050
Charges for Services	3,097,860	3,433,715
Miscellaneous	26,000	225,100
Recovered Cost	8,897,070	9,732,330
Non-Categorical State Aid	5,378,900	21,880,000
Categorical Aid State Shared	6,021,050	6,795,830
Categorical Aid State	10,250,110	9,872,375
Total Revenues	\$122,964,700	\$148,155,540
Expenditures		
General Government	\$ 14,289,190	\$ 16,567,924
Judicial Administration	8,921,750	9,809,369
Public Safety	38,124,220	43,631,734
Non-Departmental	14,890,120	11,441,570
Community & Economic Development	3,543,580	4,150,584
Public Works & Transportation	5,251,410	6,019,310
Health & Welfare	9,951,320	9,883,541
Parks, Recreation, & Cultural	6,296,580	7,395,205
Support of Schools	25,369,100	27,849,940
Support of Other Entities	1,583,820	2,050,380
Total Expenditures	\$128,221,090	\$138,799,557
Debt Service		
Principal Retirement	\$ 3,886,740	\$ 5,371,870
Interest Payments & Other Charges	1,888,460	1,601,580
Total Debt Service	\$ 5,775,200	\$ 6,973,450
Excess (deficiency)	\$(11,031,590)	\$ 2,382,533
Other Financing Sources (Uses):		
Transfers in	\$ 15,588,000	\$ 15,588,000
Transfers out	(5,701,960)	(18,802,703)
Total other Financing Sources (Uses)	\$ 9,886,040	\$ (3,214,703)
Net Change in Fund Balances	\$ (1,145,550)	\$ (832,170)
Fund Balance, Beginning of Year	\$ 55,062,819	\$ 63,976,787
Fund Balance, End of Year	\$ 53,917,269	\$ 63,144,617

Source: Department of Finance, City of Danville.

Fiscal Year 2025 Budget Discussion

The General Fund budget for fiscal year 2025 was adopted on June 18, 2024, with estimated revenues at \$164,575,710 (including transfers in and the use of \$832,170 of fund balance). This is an increase of \$24,877,460 or 17.8% over the fiscal year 2024 adopted budget. Because of increased assessed value of real estate and growth of other revenues, the fiscal year 2025 budget does include two decreases to tax rates. The real estate tax rate was lowered from \$0.84 to \$0.83 – an annual cost of approximately \$225,000. The personal property tax rate was lowered from \$3.60 to \$3.50 – an annual cost of approximately \$400,000. Nearly half of the \$24,877,460 increase in budgeted revenues is related to increased casino gaming taxes of \$12,000,000. Combining the direct payments from Caesar's and the state tax, the City receives 8.5% of the casino's net gaming revenue for the first \$200 million, 13% of revenues between \$200 million and \$400 million, and 18% of revenues that exceed \$400 million. The casino operated from a temporary structure for all of fiscal year 2024, with an average net gaming revenue in excess of \$19,000,000 each month. The permanent casino resort/hotel/conference center has announced an opening date of December 12, 2024.

The remaining increase in revenues stems from increased assessed values of property and growth in local consumer-based taxes as follows: real estate/personal property (\$5,700,000); prepared meals taxes (\$1,200,000); business licenses and sales tax (\$1,500,000); interest earnings (\$1,300,000); lodging taxes/other (\$3,100,000).

The increase in budgeted expenditures for fiscal year 2025 incorporates casino-derived revenues for initiatives that are intended to provide transformative enhancements to the local economy. Such enhancements include economic development initiatives, debt reduction, public school enhancements, tourism and marketing programs, programming for youth, blight eradication, parks and recreation projects, and crime reduction efforts. Increased revenue from property and local taxes has been budgeted to continue the City's pay-for performance system and other employee benefits to ensure the City attracts and retains a dynamic and qualified workforce. The fiscal year 2025 budget does include use of unassigned fund balance in the amount of \$832,170 for one-time economic development efforts.

General Fund Revenues and Expenditures

The General Fund is the primary operating fund maintained by the City to account for revenue derived from City property taxes, other local taxes, fines, forfeitures, licenses, fees, permits, reimbursement of certain City expenses shared by the Commonwealth, certain Commonwealth-collected revenues and transfers from the Enterprise Fund. General Fund expenditures include the costs of general City government, transfers to the School Operating Fund to pay the local share of operating the City's public school system, certain capital expenditures and transfers to the Debt Service Fund to provide for the payment of debt service on the City's general government and school bonds.

The following is a discussion of the General Fund revenue structure and major classifications of General Fund expenditures.

Revenues

General Property Taxes - An annual ad valorem tax is levied by the City Council on the assessed value of real and personal property located within the City as of July 1 and January 1, respectively. Except as referenced in the following paragraph, there are no constitutional or statutory limitations upon the City's ability to levy taxes on real or personal property. The ratio of the assessed value of real property to its fair market value is 100%. Real property taxes and personal property taxes are payable in two installments on December 5 and June 5 of the fiscal year in which they are levied. The penalty for late payment is 10% of the amount of taxes due. Interest on delinquent taxes and penalties accrues at a rate of 10% per annum. Property taxes (including penalties for late payment of prior years' taxes) represented 25% of total General Fund revenues and other sources for the fiscal year ended June 30, 2024.

Pursuant to the Personal Property Tax Relief Act of 1998 (Chapter 35.1, Title 58.1 of the Code of Virginia of 1950, as amended), personal property taxes applicable to the first \$20,000 in assessed value of certain individually owned motor vehicles were to be eliminated over a period of time. Such legislation provided a formula for the Commonwealth generally to reimburse localities, including the City, for up to 100% of the decrease in revenues

attributable to such tax. The timing and the amount of such reimbursements, however, were subject to annual appropriation and further modification by the General Assembly. Implementation of such reimbursements began with fiscal year 1998, with the level of reimbursement reaching 70%. Beginning in 2006, reimbursement by the Commonwealth to localities was capped at \$950 million annually. The City received \$3,593,576 in the fiscal year ended June 30, 2024.

Other Local Taxes - The City levies various other local taxes, including: a sales and use tax; business, professional, and occupational license taxes; a motor vehicle license tax; a meals tax; a recordation tax; and a tax on consumer telephone bills. Other local taxes represented 30% of total General Fund revenues and other sources for the fiscal year ended June 30, 2024.

Intergovernmental Revenue - The City received revenue from the Commonwealth for a portion of shared categorical expenses, including certain expenditures for social services and the operation of constitutional offices. The City also receives a significant amount of aid from the Commonwealth in support of the public school system; however, such revenues are credited directly to the School Operating Fund and are not reflected in the General Fund. Revenues from the Commonwealth represented 23% of total General Fund revenues and other sources for the fiscal year ended June 30, 2024.

Other Revenues - Other sources of revenues for the General Fund represent 22% of total General Fund revenues and other sources for the fiscal year ended June 30, 2024, and include permits, privilege fees and regulatory licenses, fines and forfeitures, interest on General Fund investments, transfers from the Utility Fund, certain charges for services rendered, various recovered costs and miscellaneous other sources.

Expenditures

Costs of General City Government - Payments for the costs of the operation of the City government are made from the General Fund. Such costs include expenditures for public safety, general administration, public works, health and welfare, education, community development and social services. This classification represented 66% of total General Fund expenditures and other uses for the fiscal year ended June 30, 2024.

Transfer to Special Revenue Funds - The City transfers moneys from the General Fund to the Special Revenue Funds, principally the School Operating Fund, to pay the City's share of the costs of operating the public school system. This transfer represented 22% of total expenditures and other uses from the General Fund for the fiscal year ended June 30, 2024. No debt service on the City's school bonds is paid from the School Operating Fund.

Transfers to Debt Service Fund - Debt service requirements on City general government and school bonds are paid by transfers from the General Fund to the Debt Service Fund. Such transfers represented 4% of total General Fund expenditures and other uses for the fiscal year ended June 30, 2024.

Transfers to the Capital Fund - The City has elected to finance certain capital projects from current revenues, and such expenditures comprise the primary portion of this category. These transfers were 8% of the total expenditures and other uses of the General Fund for the fiscal year ended June 30, 2024.

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Operating Data

The tables below represent a summary of real and personal property tax levies and collections for recent fiscal years.

REAL PROPERTY TAX LEVIES AND COLLECTIONS

Fiscal Year	Tax Rate Per \$100	Original Levy ⁽¹⁾	Collections & Adjustments Through End of Month in which 2 nd Half Tax Due ⁽¹⁾	Percentage of Original Levy Collected in Year of Levy ⁽¹⁾	Uncollected at End of Month in which 2 nd Half Tax Due ⁽¹⁾	Percentage of Original Levy Uncollected at End of Month in which 2 nd Half Tax Due ⁽¹⁾	Collections & Adjustments in Subsequent Years ⁽¹⁾	Total Collections & Adjustments Through June 30, 2024	Uncollected Balance at June 30, 2024	Percentage of Original Levy Collected at June 30, 2024
2015	\$0.73	\$16,175,657	\$14,985,466	92.64%	\$1,190,191	7.36%	\$1,166,803	\$16,152,269	\$ 23,388	99.86%
2016	0.73	16,226,974	15,323,516	94.43	903,458	5.57	872,383	16,195,899	31,075	99.81
2017	0.73	16,243,600	15,357,140	94.54	886,460	5.46	850,133	16,207,273	36,327	99.78
2018	0.80	18,049,905	16,926,921	93.78	1,122,984	6.22	1,069,457	17,996,378	53,527	99.70
2019	0.80	17,955,991	17,040,137	94.90	915,854	5.10	853,895	17,894,032	61,959	99.65
2020	0.84	18,865,804	17,948,051	95.14	917,753	4.86	836,182	18,784,233	81,571	99.57
2021	0.84	19,419,765	18,554,950	95.55	864,815	4.45	766,735	19,321,685	98,080	99.49
2022	0.84	19,587,311	18,632,939	95.13	954,372	4.87	799,244	19,432,183	155,128	99.21
2023	0.84	20,231,126	19,338,391	95.59	892,735	4.41	604,463	19,942,854	288,272	98.58
2024	0.84	20,473,907	19,457,111	95.03	1,016,796	4.97	-	19,457,111	\$1,016,796	95.03

Source: Department of Finance, City of Danville.

⁽¹⁾ Real estate taxes are assessed on a fiscal year basis, with the 1st half due on December 5 of each year and the 2nd half due on June 5 of each year.

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PERSONAL PROPERTY/MACHINERY AND TOOLS TAX LEVIES AND COLLECTIONS

Fiscal Year	Tax Rate Per \$100⁽⁵⁾	Original Levy⁽¹⁾	Collections & Adjustments Thru June 30 of Levy Year⁽¹⁾	Percentage of Original Levy Collected in Year of Levy⁽¹⁾	Uncollected at as of June 30 in the Year of Levy⁽¹⁾	Percentage of Original Levy Uncollected at End of Month in which 2nd Half Tax Due⁽¹⁾	Collections & Adjustments in Subsequent Years⁽¹⁾	Total Collections & Adjustments Through June 30, 2024	Uncollected Balance At June 30, 2024⁽²⁾	Percentage of Original Levy Collected At June 30, 2024
2015	\$3.00	\$10,897,755	\$3,621,758	33.23%	\$7,275,997	66.77%	\$7,275,997	\$10,897,755	-	100.00%
2016	3.00	11,197,466	3,938,661	35.17	7,258,805	64.83	7,258,805	11,197,466	-	100.00
2017	3.00	11,183,892	4,094,676	36.61	7,089,216	63.39	7,089,216	11,183,892	-	100.00
2018	3.50	13,362,140	5,200,943	38.92	8,161,197	61.08	8,161,197	13,362,140	-	100.00
2019	3.50	13,546,839	4,986,240	36.81	8,560,599	63.19	8,420,716	13,406,956	\$ 139,883	98.97
2020	3.60	14,006,837	5,363,605	38.29	8,643,232	61.71	8,498,545	13,862,150	144,687	98.97
2021	3.60	14,912,108	5,503,546	36.91	9,408,562	63.09	9,199,435	14,702,981	209,127	98.60
2022	3.60	16,102,533	6,040,666	37.51	10,061,867	62.49	9,706,784	15,747,450	355,083	97.79
2023	3.60	16,578,846	5,920,138	35.71	10,658,708	64.29	9,713,813	15,633,951	944,895	94.30
2024	3.60	18,586,049	6,575,633	35.38	12,010,416	64.62		6,575,633	12,010,416	35.38

Source: Department of Finance, City of Danville.

⁽¹⁾ Beginning on January 1, 1999, the City has levied taxes on a calendar year basis with 1st half taxes due on June 5th and 2nd half taxes due on December 5th.

⁽²⁾ According to state law, uncollected personal property taxes are collectible five years following the year of levy.

⁽³⁾ Personal property tax uncollected reported as of June 30 of subsequent fiscal year.

⁽⁴⁾ This includes the second half of the tax levy, which is not due until December 5th, and also the Personal Property Tax Relief Act (PPTRA) funds from the Commonwealth. PPTRA funds amounting to [\$3,593,576] are received in three installments during July, August and November each year, therefore, are shown as uncollected at June 30.

⁽⁵⁾ Personal property tax rate shown is for personal property, which is the largest portion of the tax levy. However, data includes (a) Machinery and Tools (\$1.50 per \$100), (b) Mobile Home (\$0.73 per \$100 for year prior to 2018 and \$.80 per year effective with FY 2018, and \$0.84 per \$100 effective with FY 2020) and (c) Aircraft (\$0.30 per \$100).

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The following table provides a listing of the fifteen largest real estate taxpayers in the City for the period ended June 30, 2024.

FIFTEEN LARGEST REAL ESTATE TAXPAYERS

Taxpayer	Total Assessed Value	% of Total Assessed Value⁽¹⁾
Danville Regional Medical Center LLC	\$ 78,709,300	3.23%
Goodyear Tire and Rubber Company	30,286,200	1.24
JTI Leaf Services US LLC	22,575,100	0.93
ITG Brands LLC	15,752,800	0.65
River District Tower LLC	14,814,800	0.61
CV SPE LLC & CAF2 SPE LLC & JMV	13,484,200	0.55
Piedmont Lands of Virginia LLC	13,191,000	0.54
Daniel Group Inc.	12,720,100	0.52
EBI LLC	11,069,200	0.45
Litehouse, IN C	11,017,600	0.45
Essel Propack	10,914,400	0.45
Wal-Mart Real Estate Business Trust	10,158,200	0.42
Sams Real Estate Business Trust	9,121,300	0.37
Pemberton Lofts LLC	8,890,000	0.36
Marshall, Robert & Margaret D. (Rev Trust)	8,286,600	0.34
	\$270,990,800	11.11%

Source: Department of Finance, City of Danville.

⁽¹⁾ Total Fiscal Year 2024 Assessed Real Estate Value is \$2,438,957,300 for the City of Danville.

Local tax revenues are derived primarily from real and personal property located within the City. Both real and personal property were assessed at the estimated fair market value for the years shown below. The following table illustrates the trends in value:

SCHEDULE OF ASSESSED PROPERTY VALUES⁽¹⁾

Fiscal Year	Assessed Value of Real Property	Assessed Value of Personal Property	Assessed Value of Machinery and Tools	Assessed Value of Mobile Homes	Assessed Value of Public Service Corp.	Assessed Value of Aircraft	Total Assessed Value
2015	\$2,234,658,900	\$314,269,866	\$88,642,291	\$3,089,306	\$46,364,169	\$5,376,000	\$2,692,400,532
2016	2,240,747,200	322,874,514	89,676,124	2,825,460	46,578,273	8,061,770	2,710,763,341
2017	2,235,165,800	329,465,928	97,330,638	2,816,476	48,506,117	7,601,044	2,720,886,003
2018	2,270,914,500	340,099,963	112,709,350	3,061,340	49,032,295	7,469,241	2,783,286,689
2019	2,261,428,500	347,473,090	117,196,127	3,025,660	60,222,468	7,040,932	2,796,386,777
2020	2,262,959,300	349,438,279	114,095,791	3,180,324	59,098,352	8,939,000	2,797,711,046
2021	2,319,769,100	385,394,693	109,652,377	3,285,196	61,970,778	7,317,800	2,887,389,944
2022	2,340,059,800	489,778,155	122,719,764	3,173,230	60,969,318	7,843,225	3,024,543,492
2023	2,420,541,900	465,243,765	111,679,891	2,709,674	66,279,232	8,141,010	3,074,595,472
2024	2,438,957,300	476,871,871	115,093,058	3,597,065	73,496,655	8,716,300	3,116,732,249

Source: Department of Finance, City of Danville.

⁽¹⁾ Real property is assessed on a fiscal year basis; all other property is assessed on calendar year basis.

PROPERTY TAX RATES
(Per \$100 Assessed Value)

Fiscal Year	Real Property⁽¹⁾	Personal Property	Machinery and Tools	Aircraft
2014	\$0.73	\$3.00	\$1.50	\$0.30
2015	0.73	3.00	1.50	0.30
2016	0.73	3.00	1.50	0.30
2017	0.73	3.00	1.50	0.30
2018	0.80	3.50	1.50	0.30
2019	0.80	3.50	1.50	0.30
2020	0.84	3.60	1.50	0.30
2021	0.84	3.60	1.50	0.30
2022	0.84	3.60	1.50	0.30
2023	0.84	3.60	1.50	0.30
2024	0.84	3.60	1.50	0.30

Source: Department of Finance, City of Danville.

⁽¹⁾ Includes mobile homes.

Pension Fund Information

The City participates in two public employee retirement systems: (1) the Employees' Retirement System of the City of Danville ("ERS"), which is a single-employer defined benefit plan established in 1946 and placed under the management of a board of trustees for the purpose of providing retirement, disability and death benefits for full-time, permanent employees of the City and (2) the Virginia Retirement System ("VRS"), which is a multi-employer public retirement system that acts as a common investment and administrative agent for political subdivisions in the Commonwealth (and is therefore not reflected as a City pension trust fund).

The City makes annual contributions to the ERS plan. As of a June 30, 2023, actuarial date (rolled forward to a measurement date of June 30, 2024) the value of assets for the ERS plan was approximately \$292.56 million and the net pension fund liability was approximately \$292.54 million, resulting in an overfunded amount of approximately \$20,000.

With respect to the ERS plan, the City Council adopted a resolution on December 4, 2012, abolishing the practice of granting post-retirement cost of living adjustments ("COLA") for its retirees. The COLA approach was replaced with a bonus system calling for appropriations by City Council from its annual expense budget based on affordability and sustainability criteria that include the funded status of the ERS plan, the status of the City's budget, and the amount of the City's normal cost contribution to the pension plan. As a result, along with favorable market performance, the unfunded liability decreased \$28.2 million in the year following adoption. The City has maintained the funding ratio at approximately 100% for the past five years. The City Council also adopted a resolution on August 20, 2019, to require an employee contribution for those hired on or after September 1, 2019. The employee contribution for such employees is 50% of the City's full contribution rate, but is capped at the VRS employee contribution rate (currently 5%).

The City contributes to VRS for constitutional officers and their employees. The latest VRS valuation data available to the City is dated June 30, 2022 (rolled forward to a measurement date of June 30, 2023). As of that date, with respect to the City's portion of the VRS plan, the actuarial value of assets was approximately \$32.297 million and the actuarial accrued liability was approximately \$31.381 million, resulting in an overfunded amount of approximately \$916,000.

In addition to the City's participation in the VRS plan, the Danville Public Schools contribute to VRS for their professional and non-professional employees.

See Notes 16 through 20 in the City's audited financial statements attached hereto as Appendix B for a more detailed description of the ERS and VRS plans of the City and Schools.

Post-Employment Benefits Other than Pensions

The City is a non-participating employer under the State's Line of Duty Act ("LODA"), and therefore directly funds the cost of benefits provided under LODA. Participants in the plan include eligible public safety employees and volunteers of the City who are disabled or killed in the line of duty and their eligible family members. The City pays the following for eligible claimants under the plan: health benefit plan premiums for any claimant and/or eligible spouse and family member; death benefit of \$100,000 (if death occurs as a direct result of performing duty; amount may vary for other causes of death) to eligible family members; funeral benefits (if requested); any administrative fees associated with the LODA claims; and retroactive health insurance premium reimbursements, if applicable.

Effective July 1, 2017, claimants become ineligible for LODA under the following circumstances: eligibility for Medicare due to age; income greater than pre-disability income; or remarriage by a surviving spouse. Existing participants with a death or disability eligibility date prior to July 1, 2017, and current/existing spouses who remarried prior to July 1, 2017, are grandfathered.

As of July 1, 2023, there were 19 retirees receiving benefits under LODA and 253 active employees eligible for LODA should the circumstances arise. As of June 30, 2024, the City's total OPEB liability was \$5,125,255, which was determined based on an actuarial valuation performed as of July 1, 2023.

In accordance with Governmental Accounting Standards Board ("GASB") Statement No. 75 ("GASB No. 75") entitled "Accounting and Financial Reporting for Postemployment Benefits Other than Pensions," the City recognizes the costs of its Other Postemployment Benefits ("OPEB") during the period of its employee's active employment, while the benefits are being earned, and reports its unfunded actuarial accrued liability in order to accurately report the total future cost of postemployment benefits and the financial impact on the City. These GASB 75 requirements are very similar to requirements for pension benefits. The City implemented GASB No. 75 and incorporated such information into its financial statements beginning in fiscal year 2018.

As of June 30, 2024, the following changes in the City's net OPEB liability were estimated:

Balance at June 30, 2023	\$4,822,534
Service Cost	78,526
Interest Cost	185,209
Changes in Benefit Terms	-
Differences Between Expected and Actual Experience	358,207
Changes of Assumptions	(86,413)
Benefit Payments	(232,808)
Net Change in OPEB Liability	302,721
Balance at June 30, 2024	\$5,125,255

Source: Department of Finance, City of Danville.

For further information regarding the City's Post-Employment Benefits Other than Pensions, see Note 21 to the City's audited financial statements attached hereto as Appendix B.

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CITY INDEBTEDNESS AND CAPITAL PLANS

Debt Administration

The Constitution of Virginia authorizes a city in Virginia to issue bonds and notes secured by a pledge of its full faith and credit. The Constitution limits the amount of such indebtedness to 10% of the assessed valuation of real estate subject to taxation by the city.

According to the Public Finance Act of 1991, the City can issue bonds only in accordance with its City Charter. The City Charter provides that the City shall not issue any bonds without approval by the qualified voters at an election, except that the City Council may authorize bonds or notes for the purposes and in the amounts in any one fiscal year as set out below without an election. Contractual obligations other than bonds and notes are excluded from the election requirement.

Purpose	Amount Per Fiscal Year
Capital expenditures other than capital expenditures relating to the City's water, sewer, gas and/or electric systems	\$6,000,000
Capital expenditures relating to the City's water, sewer, gas and/or electric systems or other specific undertakings from which the City may derive a revenue	\$10,000,000
Capital expenditures relating to City's water treatment, wastewater treatment, stormwater treatment, solid waste disposal or recycling facilities and any extraordinary maintenance improvements or expansions of transmission and distribution infrastructure for the electric or gas systems	\$25,000,000
Notes in anticipation of authorized bonds	The amount of authorized bonds
Compensation required by court order in annexation proceedings	No limit
Refunding bonds	Amount required to refund the refunded bonds
Anticipation of collection of revenue for the current fiscal year	\$500,000

Statement of Legal Debt Margin at **June 30, 2024**

Debt Limit Per Constitution in Virginia --	
10% Assessed Value of Real Estate at June 30, 2024 (\$_____)	\$_____
Deduct:	
Gross Bonded Debt	
Less Bonds Issued Pursuant to Section 10, Article VII of the Constitution of Virginia:	_____
Net Debt Applicable Against Limit	_____
Legal Debt Margin at June 30, 2024	_____

Source: Department of Finance, City of Danville.

General Obligation Bonded Debt Incurred Since Fiscal Year ended June 30, 2024

Other than the Series 2024B Bonds to be issued as part of this offering, the City has not issued any additional general obligation bonded debt since the fiscal year ended June 30, 2024.

Statement of Bonded Debt [DAVENPORT TO UPDATE]

The following table sets forth the annual principal and interest payments on the outstanding general obligation long-term bonded indebtedness of the City, including literary loans and general obligation indebtedness expected to be paid from utility revenues and the 1% additional sales tax, but excluding indebtedness payable solely from utility revenues and debt on installment loans and lease obligations.

ESTIMATED GENERAL OBLIGATION BONDED DEBT SERVICE REQUIREMENTS

Fiscal Year Ending	Total Outstanding			Plus General Obligation Public Improvement Bonds, Series 2024B			Total Debt Service ⁽¹⁾
	Bond Debt Service as of June 30, 2024			Debt Service			
	Principal	Interest	Total ⁽¹⁾	Principal	Interest	Total ⁽¹⁾	
2025							
2026							
2027							
2028							
2029							
2030							
2031							
2032							
2033							
2034							
2035							
2036							
2037							
2038							
2039							
2040							
2041							
2042							
2043							
2044							

Source: Department of Finance, City of Danville.

⁽¹⁾ Totals may not add due to rounding.

[June 30, 2024]

5 Years
10 Years
15 Years
20 Years

* Table does not reflect the issuance of the Series 2024 Bonds.

The following table sets forth the debt service requirements for the City's undertakings that are subject to annual appropriation by City Council, including certain lease revenue bonds issued by the Danville IDA and certain moral obligation support agreements of the City.

[As of June 30, 2024]

Fiscal Year	Principal	Interest	Total
-------------	-----------	----------	-------

Source: Department of Finance, City of Danville.

(1) The debt service payments reflected in this table include (a) the rental payments due in connection with the Danville IDA's (i) \$10,000,000 Public Facility Lease Revenue Note, Series 2021A (Federally Taxable), and (ii) \$4,184,000 Public Facility Lease Revenue Refunding Bond, Series 2021B (Federally Taxable), each issued on May 18, 2021, and (b) the City's share of the Danville-Pittsylvania Regional Industrial Facility Authority ("RIFA") moral obligation arrangements.

(2) Included in the figures in this table are contingent payments the City is expected to make under a Support Agreement dated August 1, 2019, with RIFA that pledges the City's moral obligation in support of half of the amount of debt service payments on RIFA's \$2,545,000 Revenue Refunding Bonds (Cane Creek Project), Series 2019 (Taxable).

(3) Not included in the figures in this table are contingent payments that the City may make under the following arrangements (but is not expected to be called upon to make because other revenues are anticipated to be sufficient):

- (a) a Moral Obligation Agreement dated March 22, 2013, with Atlantic Union Bank in the maximum remaining amount of \$541,039;
- (b) a Moral Obligation Agreement dated June 24, 2013, with Atlantic Union Bank in the maximum remaining amount of \$932,957;
- (c) a Moral Obligation Agreement dated April 12, 2016, with Atlantic Union Bank in the maximum remaining amount of \$705,869;
- (d) a Moral Obligation Agreement dated December 30, 2016, with Atlantic Union Bank in the maximum remaining amount of \$131,242;
- (e) a Moral Obligation Agreement dated January 19, 2021, with Movement Bank in the maximum remaining amount of \$476,832;
- (f) a Moral Obligation Agreement dated June 15, 2021, with Atlantic Union Bank in the maximum remaining amount of \$850,304;
- (g) a Moral Obligation Agreement dated November 16, 2021, with Locus Bank in the maximum remaining amount of \$976,001;
- (h) a Moral Obligation Agreement dated March 15, 2022, with Atlantic Union Bank in the maximum remaining amount of \$1,430,288;
- (i) a Moral Obligation Agreement dated April 5, 2022, with Locus Bank in the maximum remaining amount of \$1,412,767;
- (j) a Moral Obligation Agreement dated November 1, 2022, with Atlantic Union Bank in the maximum remaining amount of \$9,262,578;
- (k) a Moral Obligation Agreement dated September 1, 2023, with Virginia Small Business Financing Authority in the maximum remaining amount of \$63,992; and
- (l) a Moral Obligation Agreement dated November 1, 2023, with Virginia Small Business Financing Authority in the maximum remaining amount of \$1,319,467.

Each of these moral obligation undertakings supports economic projects financed by the Danville IDA. Payments under all agreements are subject to annual appropriations by the City Council. The City does not currently expect that City payments will be requested under these agreements.

Key Debt Ratios

Set forth below are the City's key debt ratios for the fiscal years indicated.

Fiscal Year Ended June 30	Population	<u>Assessed Value</u>	<u>Bonded Debt</u>		<u>Ratio of Bonded Debt to Assessed Value</u>		<u>Bonded Debt Per Capita</u>	
		Real & Personal Property	General Fund Supported	Self- Sustaining Utilities	General Fund Supported	Self- Sustaining Utilities	General Fund Supported	Self- Sustaining Utilities
2015	42,975	\$2,692,400,532	\$35,893,854	\$51,844,337	1.33%	1.93%	\$ 835.23	\$1,206.38
2016	42,544	2,710,763,341	40,692,518	51,156,794	1.50	1.89	956.48	1,202.44
2017	41,898	2,719,983,192	44,302,180	46,345,271	1.63	1.70	1,057.38	1,106.15
2018	41,358	2,783,286,689	47,086,136	51,863,973	1.69	1.86	1,138.50	1,254.03
2019	40,590	2,796,386,777	45,379,138	47,365,047	1.62	1.69	1,117.99	1,166.91
2020	40,044	2,797,711,046	45,894,730	49,704,794	1.64	1.78	1,146.11	1,241.25
2021	42,590	2,887,389,944	47,938,396	51,038,026	1.66	1.77	1,125.58	1,198.36
2022	42,597	3,024,543,492	51,964,153	46,792,513	1.72	1.55	1,219.90	1,098.49
2023	42,348	3,074,595,472	52,738,038	60,986,962	1.72	1.98	1,245.35	1,440.14
2024	42,248	3,116,732,249	59,547,564	68,290,769	1.91	2.19	1,409.48	1,616.43

Source: Department of Finance, City of Danville.

Note: The above bonded debt excludes lease revenue bonds and capital leases for equipment and other obligations that are subject to annual appropriation of funds by City Council for payment of debt service if the City had any of those types of debt in the applicable fiscal year. The table above also excludes \$127 million general obligation school bonds, the debt service on which is expected to be repaid primarily by an additional 1% sales tax levy.

Fiscal Year Ended June 30	General Fund Expenditures and Transfers ⁽¹⁾	<u>Debt Service⁽⁴⁾</u>		<u>Percentage of Debt Service to Total Expenditures and Transfers</u>	
		General Fund Supported ⁽²⁾	Self-Sustaining Utilities ⁽³⁾	General Fund Supported	Self-Sustaining Utilities
2015	\$ 97,425,074	\$2,997,576	\$6,457,773	3.08%	6.63%
2016	98,699,153	3,134,170	6,354,661	3.18	6.44
2017	105,956,937	4,512,363	6,731,365	4.26	6.35
2018	104,328,063	4,668,273	6,719,510	4.47	6.44
2019	104,899,451	5,018,545	6,944,393	4.78	6.62
2020	105,552,567	5,313,968	6,551,344	5.03	6.21
2021	108,504,513	5,573,953	5,932,249	5.14	5.47
2022	117,764,221	5,898,808	6,135,708	5.01	5.21
2023	117,183,751	5,403,229	5,375,723	4.61	4.59
2024	133,781,018	5,613,922	6,467,799	4.20	4.83

Source: Department of Finance, City of Danville.

⁽¹⁾ Includes General Fund, Danville School Board, Danville Development Council and Transfers Out.

⁽²⁾ Includes tax supported bonds, school bonds, reimbursables, leases, notes and long-term debt.

⁽³⁾ Includes utility supported bonds, reimbursables, leases, notes and long-term debt.

⁽⁴⁾ Excludes \$127 million general obligation school bonds, the debt service on which is expected to be repaid primarily by an additional 1% sales tax levy.

Capital Improvement Plan

The City Council approved the Capital Improvement Plan (CIP) for fiscal years 2025-2029 on [REDACTED], 2024. The CIP is normally reviewed and updated on an annual basis as a part of the budget process to reflect changing priorities, cost estimates and financing strategies. The City Council appropriates funds for capital project expenditures on a project-by-project basis as the funding sources become available.

ADOPTED GENERAL FUND CAPITAL PROJECTS – FY 2025 CITY COUNCIL APPROVED GENERAL FUND CAPITAL PROJECTS – FY 2025-2029

Uses of Funds	<u>CITY COUNCIL APPROVED</u>					<u>5-Yr. Total</u>
	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029	FY 2025-29
Community Development	\$ 910,000	\$ 650,000	\$ 500,000	\$ 500,000	\$ 500,000	\$ 3,060,000
Economic Development	13,025,526	5,060,000	100,000	100,000	100,000	18,385,526
Fire Department	2,216,875	21,261,420	1,700,000	14,450,000	50,000	39,678,295
Information Technology	1,370,000	500,000	150,000	150,000	150,000	2,320,000
Parks & Recreation	5,564,180	28,540,820	4,000,000	7,800,000	7,800,000	53,705,000
Police Department	563,650	342,000	342,000	85,000	85,000	1,417,650
General Assembly	260,000	-	-	-	-	260,000
Public Works	5,331,126	75,459,370	9,758,600	5,275,000	182,250,000	278,074,096
Transportation Services	9,333,183	2,500,000	-	-	-	11,833,183
TOTAL PROJECTS	\$38,574,540	\$134,313,610	\$16,550,600	\$28,360,000	\$190,935,000	\$408,733,750

Sources of Funds	<u>CITY COUNCIL APPROVED</u>					<u>5-Yr. Total</u>
	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029	FY 2025-29
Bonds	\$ 6,000,000	-	-	-	-	\$ 6,000,000
Grants/Aid/AARP	3,330,386	\$ 5,015,750	\$ 2,931,800	\$ 215,000	\$ 50,050,000	61,542,936
General Fund Revenues and Carryovers	13,453,331	19,184,830	6,641,800	4,650,000	4,950,000	48,879,961
Fund Balance	832,170	-	-	-	-	832,170
To Be Determined	-	106,113,030	6,977,000	23,495,000	135,935,000	272,520,030
Casino Revenues	14,958,653	4,000,000	-	-	-	18,958,653
TOTAL FUNDS	\$38,574,540	\$134,313,610	\$16,550,600	\$28,360,000	\$190,935,000	\$408,733,750

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**SUMMARY OF CAPITAL PROJECTS AND
FUNDING SOURCES FOR UTILITY ENTERPRISE FUNDS
ADOPTED CAPITAL PROJECTS – FY 2025
COUNCIL APPROVED CAPITAL PROJECTS – FY 2025-2029**

	FY 2025	FY 2026	FY 2027	FY 20287	FY 2029	5 Yr. Total
Uses of Funds						
Wastewater - Public Sewers	\$ 600,000	\$ 5,900,000	\$ 4,400,000	\$ 5,200,000	\$ 4,400,000	\$ 20,500,000
Wastewater - Treatment Plant	15,000,000	15,000,000	-	-	-	30,000,000
Water - Infrastructure	6,000,000	4,100,000	4,100,000	4,100,000	4,100,000	22,400,000
Gas - Infrastructure	-	14,500,000	500,000	500,000	500,000	16,000,000
Electric - Infrastructure	8,000,000	11,000,000	3,000,000	3,000,000	3,000,000	28,000,000
	\$29,600,000	\$50,500,000	\$12,000,000	\$12,800,000	\$12,000,000	\$116,900,000
Sources of Funds						
Bonds	\$10,000,000	\$33,300,000	\$10,000,000	\$10,000,000	\$10,000,000	\$ 73,300,000
Grants	19,000,000	15,000,000	-	-	-	34,000,000
Utility Fund Revenues and Carryovers	600,000	1,200,000	2,000,000	2,800,000	2,000,000	8,600,000
Utility Fund Balance	-	1,000,000	-	-	-	1,000,000
Total	\$29,600,000	\$50,500,000	\$12,000,000	\$12,800,000	\$12,000,000	\$116,900,000

NEW ISSUE – BOOK ENTRY ONLY

RATINGS: Fitch: “—”
 Moody’s: “—”
 S&P: “—”
 (See “RATINGS”)

In the opinion of Bond Counsel, under current law and subject to conditions described in the section “THE BONDS - Tax Exemption”, interest on the Bonds (as defined herein) (1) is not included in gross income for federal income tax purposes, (2) is not an item of tax preference for purposes of the federal alternative minimum tax, (3) is taken into account in determining adjusted financial statement income for applicable corporations (as defined in Section 59(k) of the Internal Revenue Code of 1986, as amended) for the alternative minimum tax imposed on such corporations, and (4) is exempt from income taxation by the Commonwealth of Virginia. A holder may be subject to other federal tax consequences as described in “THE BONDS - Tax Exemption.”

CITY OF DANVILLE, VIRGINIA

\$15,480,000*

**General Obligation Public Improvement Bonds,
 Series 2024B**

Dated: Date of Delivery

Due: September 1, as shown on the inside cover

This Official Statement has been prepared by the City of Danville, Virginia (the “City”), to provide information on the City’s \$15,480,000* General Obligation Public Improvement Bonds, Series 2024B (the “Bonds”), the security therefor, the City and other relevant information. Selected information is presented on this cover page for the convenience of the reader. To make an informed decision regarding the Bonds, a prospective investor should read this Official Statement in its entirety.

Security	The Bonds will be general obligations of the City to the payment of which its full faith and credit will be irrevocably pledged. Unless other funds are lawfully available and appropriated for timely payment of the Bonds, the City Council is authorized and required to levy and collect annually an <i>ad valorem</i> tax upon all taxable property within the City, over and above all other taxes, authorized or limited by law and without limitation as to rate or amount, sufficient to pay when due the principal of and interest on the Bonds. See “Security for and Sources of Payment of the Bonds” in Section Two.
Optional Redemption	The Bonds are subject to optional redemption as set forth herein. See “Optional Redemption” in Section Two.
Purpose	The proceeds of the Bonds will be used to finance the costs of various projects identified in the City’s capital improvement program and to pay the related costs of issuance.
Interest Rates/Yields	See inside cover.
Interest Payment Dates	March 1 and September 1, commencing March 1, 2025.
Denominations	\$5,000 or integral multiples thereof.
Record Dates	February 15 and August 15.
Closing/Delivery Dates	On or about December 19, 2024.
Registration	Full book-entry only; The Depository Trust Company, New York, New York.
Registrar/Paying Agent	City Treasurer.
Bond Counsel	Hunton Andrews Kurth LLP, Richmond, Virginia
Financial Advisor	Davenport & Company, LLC, Richmond, Virginia.
City Attorney	W. Clarke Whitfield, Jr., Esquire.
Conditions Affecting Issuance	The Bonds are offered for delivery when, as and if issued, subject to the approving opinion of Hunton Andrews Kurth LLP, Bond Counsel, and to certain other conditions referred to herein.

Official Statement Dated _____, 2024

* Preliminary, subject to change.

This Preliminary Official Statement and the information contained herein are subject to change, completion and amendment without notice. The Bonds may not be sold nor may an offer to buy be accepted prior to the time the Official Statement is delivered in final form. Under no circumstances shall this Preliminary Official Statement constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of the Bonds in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of such jurisdiction.

CITY OF DANVILLE, VIRGINIA

MATURITIES, AMOUNTS, INTEREST RATES, YIELDS, PRICES AND CUSIP NUMBERS

\$15,480,000*

**GENERAL OBLIGATION PUBLIC IMPROVEMENT BONDS,
SERIES 2024B**

Maturity (September 1)*	Principal Amount*	Interest Rate	Yield	Price	CUSIP** 236866
2025	\$ 470,000				
2026	490,000				
2027	515,000				
2028	545,000				
2029	570,000				
2030	600,000				
2031	630,000				
2032	665,000				
2033	695,000				
2034	730,000				
2035	770,000				
2036	805,000				
2037	850,000				
2038	890,000				
2039	935,000				
2040	980,000				
2041	1,015,000				
2042	1,065,000				
2043	1,110,000				
2044	1,150,000				

*Preliminary, subject to change.

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CITY OF DANVILLE, VIRGINIA

CITY COUNCIL

Alonzo L. Jones, *Mayor*

James B. Buckner

Lawrence G. Campbell, Jr.

Bryant Hood

Barry P. Mayo

Dr. Gary P. Miller, *Vice Mayor*

Sherman M. Saunders

J. Lee Vogler

Madison J. R. Whittle

CERTAIN CITY OFFICIALS

Kenneth F. Larking
City Manager

Susan M. DeMasi
City Clerk

Michael L. Adkins
Director of Finance

W. Clarke Whitfield, Jr.
City Attorney

Bond Counsel

Hunton Andrews Kurth LLP
Richmond, Virginia

Financial Advisor

Davenport & Company LLC
Richmond, Virginia

Auditors

Brown, Edwards & Company, L.L.P.
Lynchburg, Virginia

The Bonds will be exempt from registration under the Securities Act of 1933, as amended. As obligations of a political subdivision of the Commonwealth of Virginia, the Bonds will also be exempt from registration under the securities laws of Virginia.

No dealer, broker, salesman or other person has been authorized by the City to give any information or to make any representations other than those contained in this Official Statement, and, if given or made, such other information or representations must not be relied upon as having been authorized by the City. This Official Statement does not constitute an offer to sell or a solicitation of an offer to buy, and there shall be no sale of the Bonds by any person in any jurisdiction in which it is unlawful for such person to make such offer, solicitation or sale. This Official Statement is not to be construed as a contract or agreement between the City and the purchasers or owners of any of the Bonds.

All quotations from and summaries and explanations of provisions of law and documents herein do not purport to be complete, and reference is made to such laws and documents for full and complete statements of their provisions. Any statements made in this Official Statement involving estimates or matters of opinion, whether or not expressly so stated, are intended merely as estimates or opinion and not as representations of fact. This Official Statement speaks as of its date except where specifically noted otherwise and is subject to change without notice. Neither the delivery of this Official Statement, any sale made hereunder nor any filing of this Official Statement shall under any circumstances create an implication that there has been no change in the affairs of the City since the date of this Official Statement or imply that any information herein is accurate or complete as of any later date.

Certain statements contained in this Official Statement, including but not limited to the information contained in Appendix A, reflect forecasts and forward-looking statements, rather than historical facts. In this respect, the words “estimate,” “project,” “anticipate,” “expect,” “intend,” “believe,” “plan,” “budget” and similar expressions are intended to identify forward-looking statements. The achievement of certain results or other expectations contained in such forward-looking statements involves known and unknown risks, uncertainties and other factors that may cause actual results, performance or achievements described to differ materially from those stated in the forward-looking statements. All such forward-looking statements are expressly qualified by the cautionary statement in the preceding sentence, as well as any other disclaimers set forth in this Official Statement. The City does not plan to issue any updates or revisions to any such forward-looking statements.

Certain persons participating in this offering may engage in transactions that stabilize, maintain or otherwise affect the price of the Bonds, including transactions to (a) over allot in arranging the sales of the Bonds and (b) make purchases and sales of Bonds, for long or short account, on a when-issued basis or otherwise, at such prices, in such amounts and in such manner as the underwriters may determine.

TABLE OF CONTENTS

SECTION ONE: INTRODUCTION	1
SECTION TWO: THE BONDS	2
Authorization of the Bonds	2
Description of the Bonds	2
Form and Denomination	2
Optional Redemption	3
Mandatory Sinking Fund Redemption*	3
Manner of Redemption	3
Notice of Redemption	3
Book-Entry-Only System.....	4
Plan of Financing	4
Security for and Sources of Payment of the Bonds.....	4
Bondholders' Remedies in the Event of Default.....	4
Approval of Legal Proceedings.....	5
Tax Exemption.....	6
SECTION THREE: MISCELLANEOUS	8
Pending Litigation and Administrative Proceedings.....	8
Ratings	8
Financial Advisor.....	8
Sale at Competitive Bidding	9
Continuing Disclosure	9
Approval of Official Statement.....	9
APPENDIX A: The City of Danville, Virginia	
APPENDIX B: Basic Financial Statements of the City for the Fiscal Year Ended June 30, 2023	
APPENDIX C: Proposed Form of Bond Counsel Opinion	
APPENDIX D: Form of Continuing Disclosure Agreement	
APPENDIX E: Book-Entry-Only System	
APPENDIX F: Notice of Sale	

OFFICIAL STATEMENT
CITY OF DANVILLE, VIRGINIA
\$15,480,000*
General Obligation Public Improvement Bonds,
Series 2024B

SECTION ONE: INTRODUCTION

The purpose of this Official Statement, including the cover page and Appendices hereto, is to furnish information in connection with the sale by the City of Danville, Virginia (the “City”), of its \$15,480,000* General Obligation Public Improvement Bonds, Series 2024B (the “Bonds”). The Bonds will be general obligations of the City to the payment of which the full faith and credit of the City are irrevocably pledged. Financial and other information contained in this Official Statement has been prepared by the City from its records (except where other sources are noted). This information speaks as of its date and is not intended to indicate future or continuing trends in the financial or economic position of the City.

The Bonds will be offered for sale through competitive bidding on December 5, 2024. The Notice of Sale relating to the Bonds and describing the competitive bidding process is attached hereto as [Appendix F](#).

The Issuer. Additional information regarding the City is provided in [Appendix A](#) to this Official Statement, entitled “THE CITY OF DANVILLE, VIRGINIA.” The audited financial statements for the City for the fiscal year ended June 30, 2023, are provided in [Appendix B](#) to this Official Statement.

The Bonds. The Bonds will be dated the date of their delivery, with principal payments due on September 1 in the years set forth on the inside cover. The Bonds will be issued in authorized denominations of \$5,000 and integral multiples thereof and will be held by The Depository Trust Company, New York, New York (“DTC”), or by its nominee as securities depository with respect to the Bonds. See “DESCRIPTION OF THE BONDS - Book-Entry-Only System” and [Appendix E](#).

Interest on the Bonds will be payable semi-annually on each March 1 and September 1, commencing March 1, 2025, until the earlier of maturity or redemption. As long as the Bonds are held by DTC or its nominee, interest will be paid to Cede & Co., as nominee of DTC, in same day funds on each interest payment date.

Use of Proceeds. The City is issuing the Bonds to (a) finance the costs of various projects identified as part of the City’s capital improvement program and (b) pay the related costs of issuance, all as further described in the subsection “Plan of Financing” in Section Two.

Redemption.* At the option of the City, the Bonds maturing on or after September 1, 2035, are subject to redemption prior to maturity, in whole or in part (in integral multiples of \$5,000), at any time on or after September 1, 2034. A more complete description of the redemption features is provided in the subsections “Optional Redemption” and “Mandatory Sinking Fund Redemption” in Section Two.

Delivery. The Bonds are offered for delivery, when, as and if issued, subject to the approval of their validity by Hunton Andrews Kurth LLP, Bond Counsel, and to certain other conditions referred to herein. Certain legal matters will be passed upon for the City by the City Attorney, W. Clarke Whitfield, Jr., Esquire. It is expected that the Bonds will be available for delivery, at the expense of the City, in New York, New York, through the facilities of DTC, on or about December 19, 2024.

Auditors. The City’s financial statements for the fiscal year ended June 30, 2023, are included as [Appendix B](#) to this Official Statement and have been audited by the independent public accounting firm of Brown, Edwards & Company, L.L.P. Such financial statements have been included in reliance upon the report of Brown, Edwards &

* Preliminary, subject to change.

Company, L.L.P. Since the date of its report included herein, Brown, Edwards & Company, L.L.P., has not been engaged to perform and has not performed any procedures relating to the financial statements addressed in that report or relating to this Official Statement. The City's financial statements are also available for inspection at the Office of the Director of Finance, 427 Patton Street, Danville, Virginia 24541.

Ratings. The Bonds have been rated as shown on the cover page hereto by Moody's Investors Service, 7 World Trade Center, 250 Greenwich Street, New York, New York 10007; by S&P Global Ratings, 55 Water Street, New York, New York 10041; and by Fitch Ratings, One State Street Plaza, New York, New York 10004. A more complete description of the ratings are provided in the subsection "Ratings" in Section Three.

Financial Advisor. Davenport & Company LLC, Richmond, Virginia, is employed as Financial Advisor to the City in connection with the issuance of the Bonds. *See the subsection "Financial Advisor" in Section Three.*

Continuing Disclosure. The City has agreed to execute a Continuing Disclosure Agreement at closing to assist the underwriter in complying with the provisions of Rule 15c2-12 (the "Rule"), promulgated by the U.S. Securities and Exchange Commission (the "SEC") and as in effect on the date hereof, that requires the provision of certain annual financial information and event notices. *See the subsection "Continuing Disclosure" in Section Three.*

Additional Information. Any questions concerning the content of this Official Statement should be directed to Michael L. Adkins, Director of Finance, 427 Patton Street, Danville, Virginia 24541 (434-799-5186).

SECTION TWO: THE BONDS

Authorization of the Bonds

The Bonds are being issued pursuant to (1) the Constitution of the Commonwealth of Virginia (the "Commonwealth"), (2) the provisions of the Public Finance Act of 1991 (Chapter 26 of Title 15.2 of the Code of Virginia of 1950, as amended), (3) the City Charter, (4) an ordinance adopted by the City Council on March 19, 2024, (5) an ordinance adopted by the City Council on [November 19], 2024, and (6) a resolution (the "Bond Resolution"), adopted by the City Council on [November 19], 2024.

Description of the Bonds

The Bonds will be dated the date of their delivery and will mature on September 1 in the years set forth on the inside cover. Interest on the Bonds will be payable on March 1 and September 1, commencing March 1, 2025, by check or draft mailed to the registered owners at their addresses as they appear on the registration books on the February 15 and August 15 immediately preceding each March 1 and September 1 provided, however, that as long as the Bonds are held by DTC or its nominee, interest will be paid to Cede & Co., as nominee of DTC, in same day funds on each interest payment date. If such interest payment date is not a business day, such payment shall be made on the next succeeding business day with the same effect as if made on the interest payment date, and no additional interest shall accrue. The registration books are kept by the City Treasurer, who has been appointed paying agent and registrar (the "Paying Agent").

Form and Denomination

The Bonds will be issued by means of a book-entry system with no physical distribution of Bond certificates made to the public. One Bond certificate for each maturity will be issued to DTC, or its nominee, and immobilized in its custody. Beneficial Owners (as hereinafter defined) will not receive physical bond certificates representing their interests in the Bonds purchased. So long as DTC or its nominee is the registered owner of the Bonds, references in this Official Statement to the owners of the Bonds shall mean DTC or its nominee and shall not mean the Beneficial Owners. The Bond Resolution contains provisions applicable to periods when DTC or its nominee is not the registered owner. *See the subsection herein "Book-Entry-Only System."*

Optional Redemption*

The Bonds maturing on or before September 1, 2034, are not subject to redemption prior to maturity. At the option of the City, the Bonds maturing on or after September 1, 2035, are subject to redemption prior to maturity, in whole or in part (in integral multiples of \$5,000), at any time on or after September 1, 2034, upon payment of 100% of the Bonds to be redeemed plus interest accrued and unpaid to the date fixed for redemption.

Mandatory Sinking Fund Redemption*

Readers are advised to refer to the final Official Statement for the Bonds for the mandatory sinking fund redemption provisions of the Bonds should the winning bidder(s) structure the principal amortization of any Bonds as term bonds.

Manner of Redemption

If less than all of the Bonds are called for redemption, the maturities of the Bonds (or the portions thereof) to be redeemed will be selected by the chief financial officer of the City in such manner as such officer may determine to be in the best interests of the City.

If less than all of the Bonds of a maturity are called for redemption, the particular Bonds within such maturity (or the portions thereof) to be redeemed will be selected by DTC or any successor securities depository pursuant to its rules and procedures or, if the book entry system is discontinued, by the Registrar by lot in such manner as the Registrar in its discretion may determine.

The portion of any Bond to be redeemed will be in the principal amount of \$5,000 or some integral multiple thereof. In selecting Bonds for redemption, each Bond will be considered as representing that number of Bonds that is obtained by dividing the principal amount of such Bond by \$5,000. If a portion of a Bond is called for redemption, a new Bond in principal amount equal to the unredeemed portion thereof will be issued to the registered owner upon the surrender thereof.

Notice of Redemption

The City shall cause notice of the call for redemption identifying the Bonds or portions thereof to be redeemed to be sent by facsimile or electronic transmission, registered or certified mail or overnight express delivery, not less than 30 nor more than 60 days prior to the date fixed for redemption, to DTC, or its nominee, as the registered owner of the Bonds. The City shall not be responsible for giving notice of redemption to anyone other than DTC or another qualified securities depository or its nominee unless no qualified securities depository is the registered owner of the Bonds. If no qualified securities depository is the registered owner of the Bonds, notice of redemption shall be sent to the registered owners of the Bonds.

In the case of an optional redemption, the notice may state that (i) it is conditioned upon the deposit of moneys, in an amount equal to the amount necessary to effect the redemption, no later than the date fixed for redemption or (ii) the City retains the right to rescind such notice on or prior to the date fixed for redemption (in either case, a "Conditional Redemption"), and such notice and optional redemption shall be of no effect if such moneys are not so deposited or if the notice is rescinded as described herein. A Conditional Redemption may be rescinded at any time. The City shall give prompt notice of such rescission to the affected bondholders. Any Bonds subject to Conditional Redemption where redemption has been rescinded shall remain outstanding, and the rescission shall not constitute an event of default. Further, in the case of a Conditional Redemption, the failure of the City to make funds available on or before the date fixed for redemption shall not constitute an event of default, and the City shall give immediate notice to all organizations registered with the SEC as securities depositories or the affected bondholders that the redemption did not occur and that the Bonds called for redemption and not so paid remain outstanding.

* Preliminary, subject to change.

Book-Entry-Only System

DTC will act as securities depository for the Bonds pursuant to a book-entry system. Information regarding DTC and its book-entry system appears as Appendix E. Such information has been provided by DTC, and the City assumes no responsibility for the accuracy or completeness of such information. The City may decide to discontinue use of the system of book-entry transfers through DTC (or a successor securities depository). In that event Bond certificates will be printed and delivered.

Plan of Financing

The City plans to use the proceeds of the Bonds (1) to finance the costs of various projects identified on the City's capital improvement program, including, without limitation, (a) parks and recreational facility improvements, (b) fire and police equipment, (c) information technology software and equipment, (d) public building improvements (including, without limitation, roof, elevator and HVAC improvements), (e) acquisition and installation of emergency generators, (f) sidewalk, street and parking lot improvements, (g) capital improvements for the municipal airport, and (h) stormwater system upgrades, and (i) any other capital expenditures, (2) to finance various capital improvements relating to the City's water, sewer, gas and/or electric systems or other specific undertaking or undertakings from which the City may derive a revenue including, without limitation, (a) distribution and treatment infrastructure improvements for the water system, (b) substations and distribution infrastructure improvements for the electric system, and (c) any other capital expenditures relating to the City's water, sewer, gas and/or electric systems or other specific undertaking or undertakings from which the City may derive a revenue, and (3) to pay the costs of issuing the Bonds.

The following table sets forth the anticipated application of the proceeds of the Bonds for the purposes described above:

Estimated Sources of Funds

Par Amount of Bonds	
[Net] Original Issue [Premium/Discount]	_____
Total Sources	=====

Estimated Uses of Funds

Deposit to City Project Fund	
Costs of Issuance (including underwriting compensation)	_____
Total Uses	=====

Security for and Sources of Payment of the Bonds

The Bonds are general obligations of the City to the payment of which the City's full faith and credit are irrevocably pledged. While the Bonds remain outstanding and unpaid, the City Council is authorized and required, unless other funds are lawfully available and appropriated for the timely payment of the Bonds, to levy and collect annually an *ad valorem* tax upon all taxable property within the City, over and above all other taxes, authorized or limited by law and without limitation as to rate or amount, sufficient to pay when due the principal of and interest on the Bonds.

Bondholders' Remedies in the Event of Default

Section 15.2-2659 of the Code of Virginia of 1950, as amended, provides that upon an affidavit filed with the Governor of the Commonwealth by any holder of or paying agent for a general obligation bond in default as to payment of principal, premium, if any, or interest, the Governor shall conduct a summary investigation and, if satisfied that such default has occurred, the Governor shall order the State Comptroller to withhold all funds appropriated and

payable by the Commonwealth to the political subdivision so in default and apply the amount so withheld to payment of the defaulted principal, premium and interest.

Under the intercept provision, neither the State Comptroller nor the Commonwealth has any legal obligation to make any payment on behalf of the City other than from the funds appropriated and payable to the City. Commonwealth aid that is payable to the City and that is subject to interception is derived primarily from the Commonwealth's General Fund, with the remaining aid being payable from the Highway Maintenance and Construction Fund of the Virginia Department of Transportation and certain other funds.

Section 15.2-2659 also provides for notice to the registered owners of such bonds of the default and the availability of withheld funds. The State Comptroller advises that to date no order to withhold funds pursuant to Section 15.2-2659 (or its predecessor provisions Section 15.1-227.61 or Section 15.1-225) has ever been issued. Although no Virginia court has had occasion to review or approve Section 15.2-2659 (or its predecessor provisions), the Attorney General of Virginia has opined that appropriated funds may be withheld by the Commonwealth as a remedy for payment defaults under general obligation bonds, pursuant to the provisions of Section 15.1-225 (a predecessor provision to Section 15.2-2659). In the fiscal year ended June 30, 2024, of the approximately \$[] total direct appropriations paid by the Commonwealth to the City, approximately \$[] was deposited in the City's general fund and its transportation-related fund. The amount of aid appropriated by the Commonwealth to the City varies from year to year and may not in a particular year equal or exceed all of the payment obligations of the City potentially subject to the intercept provision.

Neither the Bonds nor the proceedings with respect thereto specifically provide any remedies that would be available to a bondholder if the City defaults in the payment of principal of or interest on the Bonds, and neither the Bonds nor such proceedings provide for the appointment of a trustee to protect and enforce the interests of the bondholders upon the occurrence of such a default. Upon any default in the payment of principal or interest, a bondholder may, among other things, seek a writ of mandamus from an appropriate court requiring the City Council to levy and collect taxes as described above. The mandamus remedy, however, may be impracticable and difficult to enforce. Furthermore, the right to levy and collect taxes and to enforce payment of the Bonds may be limited by bankruptcy, insolvency, reorganization, moratorium, fraudulent conveyance and similar laws and by equitable principles, which may limit the specific enforcement of certain remedies.

Chapter 9 of the United States Bankruptcy Code (the "Bankruptcy Code") permits a municipality such as the City, if insolvent or otherwise unable to pay its debts as they become due, to file a voluntary petition for the adjustment of debts, provided that such municipality is "specifically authorized, in its capacity as a municipality or by name, to be a debtor...." Bankruptcy Code §109(c)(2). Current Virginia statutes do not expressly authorize the City or municipalities generally to file for bankruptcy under Chapter 9. Chapter 9 does not authorize the filing of involuntary petitions against municipalities such as the City.

Bankruptcy proceedings by the City could have adverse effects on bondholders, including (1) delay in the enforcement of their remedies, (2) subordination of their claims to the claims of those supplying goods and services to the City after the initiation of bankruptcy proceedings and to the administrative expenses of bankruptcy proceedings and (3) imposition without their consent of a reorganization plan reducing or delaying payment of the Bonds. The Bankruptcy Code contains provisions intended to ensure that, in any reorganization plan not accepted by at least a majority of a class of creditors such as the holders of general obligation bonds, such creditors will have the benefit of their original claim or the "indubitable equivalent." The effect of these and other provisions of the Bankruptcy Code cannot be predicted and may be affected significantly by judicial interpretations.

The City has never defaulted in the payment of principal of or premium or interest on any indebtedness.

Approval of Legal Proceedings

Certain legal matters relating to the authorization and validity of the Bonds will be subject to the approving opinion of Hunton Andrews Kurth LLP, Bond Counsel, in substantially the form set forth in Appendix C (the "Bond Opinion"), which will be furnished at the expense of the City upon delivery of the Bonds. The Bond Opinion will be limited to matters relating to authorization and validity of the Bonds and to the tax-exempt status of interest on the Bonds as described in the section "Tax Exemption" below. Bond Counsel has not been engaged to investigate the

financial resources of the City or its ability to provide for payment of the Bonds, and the Bond Opinion will make no statement as to such matters or as to the accuracy or completeness of this Official Statement or any other information that may have been relied on by anyone in making the decision to purchase Bonds.

Certain legal matters will be passed upon for the City by the City Attorney, W. Clarke Whitfield, Jr., Esquire.

Tax Exemption

Opinion of Bond Counsel. In the opinion of Bond Counsel and in accordance with customary opinion practice, under current law, interest[, including any accrued original issue discount (“OID”),] on the Bonds (a) is not included in gross income for federal income tax purposes, (b) is not an item of tax preference for purposes of the federal alternative minimum tax, (c) is taken into account in determining adjusted financial statement income for applicable corporations (as defined in Section 59(k) of the Internal Revenue Code of 1986, as amended, and applicable regulations thereunder (the “Code”)) for the alternative minimum tax imposed on such corporations, and (d) is exempt from income taxation by the Commonwealth. [Except as discussed below regarding OID,] no other opinion is expressed by Bond Counsel regarding the tax consequences of the ownership of or the receipt or accrual of interest on the Bonds.

Bond Counsel’s opinion is given in reliance upon certifications by representatives of the City as to certain facts relevant to both the opinion and requirements of the Code, and is subject to the condition that there is compliance subsequent to the issuance of the Bonds with all requirements of the Code that must be satisfied in order for interest thereon to remain excludable from gross income for federal income tax purposes. The City has covenanted to comply with the current provisions of the Code regarding, among other matters, the use, expenditure and investment of the proceeds of the Bonds and the timely payment to the United States of any arbitrage rebate amounts with respect to the Bonds. Failure by the City to comply with such covenants, among other things, could cause interest[, including any accrued OID,] on the Bonds to be included in gross income for federal income tax purposes retroactively to their date of issue. The City may in its discretion, but has not covenanted to, take any and all such actions as may be required by future changes in the Code and applicable regulations in order that interest on the Bonds remain excludable from gross income for federal income tax purposes.

Bond Counsel’s opinion represents its legal judgment based in part upon the representations and covenants referenced therein and its review of current law, but is neither a guarantee of a result nor binding on the Internal Revenue Service (the “IRS”) or the courts. Bond Counsel assumes no duty to update or supplement its opinion to reflect any facts or circumstances that may come to Bond Counsel’s attention after the date of its opinion or to reflect any changes in law or the interpretation thereof that may occur or become effective after such date.

Customary practice in the giving of legal opinions includes not detailing in the opinion all of the assumptions, conditions, limitations and exclusions that are part of the conclusions therein. See *“Statement on the Role of Customary Practice in the Preparation and Understanding of Third-Party Legal Opinions,”* 63 *Bus. Law.* 1277 (2008), and *“Legal Opinion Principles,”* 53 *Bus. Law.* 831 (May 1998), updated by *“Statement of Opinion Practices,”* 74 *Bus. Law.* 801, 807 (2019). Purchasers of the Bonds should seek advice or counsel concerning such matters as they deem prudent in connection with their purchase of Bonds.

Alternative Minimum Tax

Individuals – Bond Counsel’s opinion states that under current law interest on the Bonds is not an item of preference and is not subject to the alternative minimum tax on individuals.

Applicable Corporations – Bond Counsel’s opinion also states that under current law interest on the Bonds is taken into account in determining adjusted financial statement income for applicable corporations (as defined in Section 59(k) of the Code) for the alternative minimum tax imposed on such corporations. Under current law, an “applicable corporation” generally is a corporation with average annual adjusted financial statement income for a three-taxable-year period ending after December 31, 2021, that exceeds \$1 billion.

[Original Issue Discount. The initial public offering prices of each maturity of the Bonds maturing in the years [____ and ____] (the “OID Bonds”) will be less than their stated principal amount. In the opinion of Bond Counsel, under current law, the difference between the stated principal amount and the initial offering price of each maturity of the OID Bonds to the public (excluding bond houses and brokers) at which a substantial amount of such maturity of such Bonds is sold will constitute OID. The offering prices set forth on the inside cover of this Official Statement for the OID Bonds are expected to be the initial offering prices to the public at which a substantial amount of each maturity of such Bonds will be sold.

Under the Code, for purposes of determining the holder’s adjusted basis in an OID Bond, OID treated as having accrued while the holder holds such Bond will be added to the holder’s basis. OID will accrue on a constant yield-to-maturity method. The adjusted basis will be used to determine taxable gain or loss upon the sale or other disposition (including redemption or payment at maturity) of an OID Bond.

Prospective purchasers of the OID Bonds should consult their own tax advisors with respect to the calculation of accrued OID and the state and local tax consequences of owning or disposing of such Bonds.]

[Original Issue Premium. Bonds purchased, whether upon issuance or otherwise, for an amount (excluding any amount attributable to accrued interest) in excess of their principal amount will be treated for federal income tax purposes as having amortizable bond premium. A holder’s basis in such a Bond must be reduced by the amount of premium that accrues while such Bond is held by the holder. No deduction for such amount will be allowed, but it generally will offset interest on the Bonds while so held. Purchasers of such Bonds should consult their own tax advisors as to the calculation, accrual and treatment of amortizable bond premium and the state and local tax consequences of holding such Bonds.]

Other Tax Matters. In addition to the matters addressed above, prospective purchasers of the Bonds should be aware that the ownership of tax-exempt obligations may result in collateral federal income tax consequences to certain taxpayers, including, without limitation, financial institutions, property and casualty insurance companies, S corporations, foreign corporations subject to the branch profits tax, recipients of Social Security or Railroad Retirement benefits and taxpayers who may be deemed to have incurred or continued indebtedness to purchase or carry tax-exempt obligations. Prospective purchasers of the Bonds should consult their tax advisors as to the applicability and impact of such consequences.

The IRS has a program to audit state and local government obligations to determine whether the interest thereon is includable in gross income for federal income tax purposes. If the IRS does audit the Bonds, under current IRS procedures, the IRS will treat the City as the taxpayer, and the owners of the Bonds will have only limited rights, if any, to participate.

Prospective purchasers of the Bonds should consult their own tax advisors as to the status of interest on the Bonds under the tax laws of any state other than the Commonwealth.

There are many events that could affect the value, liquidity and/or marketability of the Bonds after their issuance, including but not limited to public knowledge of an audit of the Bonds by the IRS, a general change in interest rates for comparable securities, a change in federal or state income tax rates, legislative or regulatory proposals affecting state and local government securities and changes in judicial interpretation of current law. In addition, certain tax considerations relevant to owners of Bonds who purchase Bonds after their issuance may be different from those relevant to purchasers upon issuance. Neither the opinion of Bond Counsel nor this Official Statement purports to address the likelihood or effect of any such potential events or such other tax considerations, and purchasers of the Bonds should seek advice concerning such matters as they deem prudent in connection with their purchase of Bonds.

SECTION THREE: MISCELLANEOUS

Pending Litigation and Administrative Proceedings

The City and its employees have been named from time to time as defendants in various claims, which are being defended by the City Attorney and associated counsel. The City's potential liability is protected partially by sovereign immunity, indemnification agreements and insurance through the Virginia Risk Sharing Association. The City Attorney is of the opinion that none of the litigation currently pending against the City reasonably can be expected to have a material adverse effect on the City's financial condition. [Confirm with City Attorney]

According to the City Attorney, no litigation has been served or, to the best of his knowledge, information and belief, is pending or threatened against the City that would affect the validity of the Bonds or the right of the City to levy or collect annually an *ad valorem* tax upon all taxable property within the City, over and above all other taxes, authorized or limited by law and without limitation as to rate or amount, sufficient to pay when due the principal of and interest on the Bonds. [Confirm with City Attorney]

Ratings

Fitch Ratings ("Fitch"), Moody's Investors Service, Inc. ("Moody's") and S&P Global Ratings ("S&P") have assigned ratings of "___", "___" and "___", respectively, to the Bonds. The Moody's rating of "___" gives effect to the state-aid intercept program described in "Bondholders' Remedies in the Event of Default" in Section Two. The Moody's rating of "___" and the S&P and Fitch ratings are based solely on the creditworthiness of the City. Such ratings reflect only the respective views of such organizations and any desired explanation of the significance of such ratings should be obtained from the rating agency furnishing the same, at the following addresses: Moody's Investors Service, Inc., 7 World Trade Center, 250 Greenwich Street, 23rd Floor, New York, New York 10007; S&P Global Ratings, 55 Water Street, New York, New York 10041; and Fitch Ratings, One State Street Plaza, New York, New York 10004.

The City furnished to such rating agencies the information contained in this Official Statement and certain publicly available materials and information about the City. Generally, rating agencies base their ratings on such materials and information, as well as investigations, studies, and assumptions of the rating agencies. There is no assurance that the ratings will continue for any given period of time or that such ratings will not be revised, suspended or withdrawn if, in the judgment of the rating agencies, circumstances so warrant. A revision, suspension or withdrawal of one or more ratings may have an adverse effect on the market price of the Bonds.

If a significant default or other financial crisis should occur in the affairs of the United States or of any of its agencies or political subdivisions, then such event could adversely affect the market for, and the ratings, liquidity and market value of, outstanding debt obligations, including the Bonds.

Financial Advisor

Davenport is employed as financial advisor to the City in connection with the issuance of the Bonds. The financial advisor's fee for services rendered with respect to the sale of the Bonds is contingent upon the issuance and delivery of the Bonds. Davenport, in its capacity as financial advisor, does not assume any responsibility for the information, covenant and representations contained in any of the legal documents provided, agreed to or made by others with respect to the federal income tax status of the Bonds, or the possible impact of any present, pending or future actions taken by any legislative or judicial bodies.

Davenport, as the financial advisor to the City, has provided the following sentence for inclusion in this Official Statement: Although Davenport has assisted in the preparation of this Official Statement, Davenport is not obligated to undertake, and has not undertaken to make, an independent verification or to assume responsibility for the accuracy, completeness or fairness of the information contained in this Official Statement.

Sale at Competitive Bidding

The Bonds will be offered for sale at competitive bidding on December 5, 2024, unless such date is postponed or changed as described in the Notice of Sale, attached hereto as [Appendix F](#), respectively. This Preliminary Official Statement has been deemed final as of its date by the City in accordance with the meaning and requirements of the Rule, except for the omission of certain pricing and other information permitted to be omitted pursuant to the Rule. After the Bonds have been awarded, the City will complete the Preliminary Official Statement so as to be a “final official statement” within the meaning of the Rule. The final Official Statement will include, among other matters, the identity of the winning bidder(s) and the managers of any syndicates submitting the winning bids, the expected selling compensation to the underwriter(s) of the Bonds and other information on the interest rates and offering prices or yields of the Bonds, as supplied by the winning bidder(s).

Continuing Disclosure

Current Undertaking. To permit compliance by the underwriter with the continuing disclosure requirements of the Rule, the City will execute a Continuing Disclosure Agreement (the “CDA”) at closing agreeing to provide certain annual financial information and event notices required by the Rule. Such information will be filed through the Electronic Municipal Market Access System (“EMMA”) maintained by the Municipal Securities Rulemaking Board and may be accessed through the Internet at emma.mrsb.org. As described in [Appendix D](#), the CDA requires the City to provide only limited information at specific times, and the information provided may not be all the information necessary to value the Bonds at any particular time. The City may from time to time disclose certain information and data in addition to that required by the CDA. If the City chooses to provide any additional information, the City shall have no obligation to continue to update such information or to include it in any future disclosure filing.

Failure by the City to comply with the CDA is not an event of default under the Bonds or the Bond Resolution. The sole remedy for a default under the CDA is to bring an action for specific performance of the City’s covenants hereunder, and no assurance can be provided as to the outcome of any such proceeding.

Prior Undertakings. Except as described in this subsection “Prior Undertakings,” the City has complied in all material respects with its prior continuing disclosure undertakings under the Rule during the last five years. The City timely filed its annual financial information for fiscal year 2020 on EMMA, but inadvertently failed to link such filing to the CUSIP numbers for its General Obligation Public Improvement and Refunding Bonds, Series 2020A (Federally Tax-Exempt), and General Obligation Public Improvement Refunding Bonds, Series 2020B (Federally Taxable) (together, the “2020 Bonds”). The City also failed to provide timely notice of the incurrence of two material financial obligations in May 2021 (the “2021 Obligations”) to the holders of its General Obligation Public Improvement Bonds, Series 2019 (the “2019 Bonds”), and the 2020 Bonds. The City has since linked the annual financial information for fiscal year 2020 to the CUSIP numbers for the 2020 Bonds and provided notice of the incurrence of the 2021 Financial Obligations to the holders of the 2019 Bonds and the 2020 Bonds.

Approval of Official Statement

All summaries in this Official Statement of provisions of the Constitution of the Commonwealth, the statutes of the Commonwealth, the ordinances and resolutions of the Council (including the Bond Resolution), the Bonds, the CDA and other documents and instruments are subject to the detailed provisions and judicial interpretations to which reference is hereby made for further information. Such summaries do not purport to be complete statements of any or all of such provisions.

Any statements in this Official Statement involving matters of opinion or estimates, whether or not expressly so stated, are intended as such and not representations of fact. No representation is made that any of the estimates will be realized. Neither this Official Statement nor any statement that may have been made verbally or in writing is to be construed as a contract with the holder of the Bonds.

The attached Appendices are an integral part of this Official Statement and must be read together with the balance of this Official Statement.

The distribution of this Preliminary Official Statement has been duly authorized by the City Council. The City has deemed this Preliminary Official Statement “final” as of its date within the meaning of the Rule, except for the omission of certain pricing and other information permitted to be omitted by the Rule.

CITY OF DANVILLE, VIRGINIA

By: _____
City Manager

APPENDIX A
THE CITY OF DANVILLE, VIRGINIA

APPENDIX B

**BASIC FINANCIAL STATEMENTS OF THE CITY
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

APPENDIX C

PROPOSED FORM OF BOND COUNSEL OPINION

*Set forth below is the proposed form of the opinion of Hunton Andrews Kurth LLP, Bond Counsel.
It is preliminary and subject to change prior to delivery of the Bonds.*

[Closing Date]

Mayor and Council
City of Danville
Danville, Virginia

City of Danville, Virginia

\$_____
General Obligation Public Improvement Bonds,
Series 2024B

Ladies and Gentlemen:

We have examined the applicable law and certified copies of proceedings and documents relating to the issuance and sale by the City of Danville, Virginia (the “City”), of its \$_____ General Obligation Public Improvement Bonds, Series 2024B (the “Bonds”). Reference is made to the form of the Bonds for information concerning their details, including payment and redemption provisions, their purposes and the proceedings pursuant to which they are issued.

Without undertaking to verify the same by independent investigation, we have relied on certifications by representatives of the City as to certain facts relevant to both our opinion and requirements of the Internal Revenue Code of 1986, as amended (the “Code”). The City has covenanted to comply with the current provisions of the Code regarding, among other matters, the use, expenditure and investment of the proceeds of the Bonds and the timely payment to the United States of any arbitrage rebate amounts with respect to the Bonds, all as set forth in the proceedings and documents relating to the issuance of the Bonds (the “Covenants”).

Based on the foregoing, in accordance with customary opinion practice and assuming the due authorization, execution and delivery of all documents by parties other than the City, we are of the opinion that:

1. The Bonds have been authorized and issued in accordance with the Constitution and statutes of the Commonwealth of Virginia, including the City Charter and the Public Finance Act of 1991, and constitute valid and binding obligations of the City, and, unless other funds are lawfully available and appropriated for timely payment of the Bonds, the City Council is authorized and required to levy and collect annually an *ad valorem* tax upon all taxable property within the City, over and above all other taxes, authorized or limited by law and without limitation as to rate or amount, sufficient to pay when due the principal of and interest on the Bonds.

2. The rights of the holders of the Bonds and the enforceability of such rights may be limited or otherwise affected by (a) bankruptcy, insolvency, reorganization, moratorium, fraudulent conveyance and other laws affecting the rights of creditors generally and (b) principles of equity, whether considered at law or in equity.

3. Under current law, interest[, including any accrued original issue discount (“OID”),] on the Bonds (a) is not included in gross income for federal income tax purposes, (b) is not an item of tax preference for purposes of the federal alternative minimum tax, and (c) is taken into account in determining adjusted financial statement income for applicable corporations (as defined in Section 59(k) of the Code) for the alternative minimum tax imposed on such corporations. The opinions in (a) and (b) of the preceding sentence are subject to the condition that there is compliance subsequent to the issuance of the Bonds with all requirements of the Code that must be satisfied in order that interest thereon not be included in gross income for federal income tax purposes. Failure by the City to comply with the Covenants, among other things, could cause interest[, including any accrued OID,] on the Bonds to be included in gross income for federal income tax purposes retroactively to their date of issue. [In the case of the Bonds maturing in the years ____ and ____ (the “OID Bonds”), the difference between (i) the stated principal amount of each

maturity of the OID Bonds and (ii) the initial offering price to the public (excluding bond houses and brokers) at which a substantial amount of such maturity is sold will constitute OID; OID will accrue for federal income tax purposes on a constant yield-to-maturity method; and a holder's basis in an OID Bond will be increased by the amount of OID treated for federal income tax purposes as having accrued on such OID Bond while the holder holds the OID Bond.] The City may in its discretion, but has not covenanted to, take any and all such actions as may be required by future changes in the Code and applicable regulations in order that interest on the Bonds remain excludable from gross income for federal income tax purposes. We express no opinion regarding other federal tax consequences of the ownership of or receipt or accrual of interest on the Bonds.

4. Under current law, interest[, including any accrued OID,] on the Bonds is exempt from income taxation by the Commonwealth of Virginia.

The opinions set forth above are based on existing law, which is subject to change. Such opinions are further based on our knowledge of facts as of the date hereof. Our services as bond counsel to the City have been limited to delivering the foregoing opinion based on our review of such proceedings and documents as we deem necessary to approve the validity of the Bonds and the tax-exempt status of the interest thereon. Our services have not included financial or other non-legal advice. We express no opinion herein as to the financial resources of the City, its ability to provide for payment of the Bonds or the accuracy or completeness of any information, including the City's Preliminary Official Statement dated _____, 2024, and its Official Statement dated _____, 2024, that may have been relied upon by anyone in making the decision to purchase Bonds. We assume no duty to update or supplement these opinions to reflect any facts or circumstances that may hereafter come to our attention or to reflect any changes in any law that may hereafter occur or become effective.

Very truly yours,

APPENDIX D

FORM OF CONTINUING DISCLOSURE AGREEMENT

FORM OF CONTINUING DISCLOSURE AGREEMENT

This **CONTINUING DISCLOSURE AGREEMENT** dated _____, 2024 (the “Disclosure Agreement”), is executed and delivered by the City of Danville, Virginia (the “Issuer”), in connection with the issuance by the Issuer of its General Obligation Public Improvement Bonds, Series 2024B (the “Bonds”). The Issuer hereby covenants and agrees as follows:

Section 1. Purpose. This Disclosure Agreement is being executed and delivered by the Issuer for the benefit of the holders of the Bonds and in order to assist the original purchasers of the Bonds in complying with the provisions of Section (b)(5)(i) of Rule 15c2-12, as amended (the “Rule”), promulgated by the Securities and Exchange Commission (the “SEC”), by providing certain annual financial information and event notices required by the Rule (collectively, “Continuing Disclosure”).

Section 2. Annual Disclosure. (a) The Issuer shall provide annually financial information and operating data in accordance with the provisions of Section (b)(5)(i) of the Rule as follows:

- (i) financial statements of the Issuer, prepared in accordance with generally accepted accounting principles; and
- (ii) the operating data with respect to the Issuer generally of the type described in the section entitled “FINANCIAL INFORMATION – Operating Data” in Appendix A of the Issuer’s Official Statement dated _____, 2024, relating to the Bonds.

If the financial statements filed pursuant to Section 2(a)(i) are not audited, the Issuer shall subsequently file such statements as audited, when available.

(b) The Issuer shall file annually with the Municipal Securities Rulemaking Board (the “MSRB”) the financial information and operating data described in subsection (a) above (collectively, the “Annual Disclosure”) no later than the March 31 following the end of the Issuer’s fiscal year, commencing with the Issuer’s fiscal year ended June 30, 2024.

(c) Any Annual Disclosure may be included by specific reference to other documents previously provided to the MSRB or filed with the SEC; provided, however, that any final official statement incorporated by reference must be available from the MSRB.

(d) The Issuer shall file with the MSRB in a timely manner notice specifying any failure of the Issuer to provide the Annual Disclosure by the date specified.

Section 3. Event Disclosure. The Issuer shall file with the MSRB in a timely manner not in excess of ten (10) business days after the occurrence of the event, notice of the occurrence of any of the following events with respect to the Bonds:

- (a) principal and interest payment delinquencies;
- (b) non-payment related defaults, if material;
- (c) unscheduled draws on debt service reserves reflecting financial difficulties;
- (d) unscheduled draws on any credit enhancement reflecting financial difficulties;
- (e) substitution of credit or liquidity providers, or their failure to perform;
- (f) adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Bonds, or other material events affecting the tax status of the Bonds;

- (g) modifications to rights of the holders of the Bonds, if material;
- (h) bond calls, if material, and tender offers;
- (i) defeasance of all or any portion of the Bonds;
- (j) release, substitution, or sale of property securing repayment of the Bonds, if material;
- (k) rating changes;
- (l) bankruptcy, insolvency, receivership, or similar event of the Issuer;*
- (m) the consummation of a merger, consolidation, or acquisition involving the Issuer or the sale of all or substantially all of the assets of the Issuer, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material;
- (n) appointment of a successor or additional trustee or the change of name of a trustee, if material;
- (o) incurrence of a financial obligation (as hereinafter defined) of the Issuer, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a financial obligation of the Issuer, any of which affect holders of the Bonds, if material; and
- (p) default, event of acceleration, termination event, modification of terms, or other similar events under the terms of the financial obligation of the Issuer, any of which reflect financial difficulties.

The term “financial obligation” means a (i) debt obligation; (ii) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (iii) guarantee of (i) or (ii). The term “financial obligation” does not include municipal securities as to which a final official statement has been provided to the MSRB consistent with the Rule.

Section 4. Termination. The obligations of the Issuer hereunder will terminate upon the redemption, defeasance (within the meaning of the Rule) or payment in full of all the Bonds.

Section 5. Amendment. The Issuer may modify its obligations hereunder without the consent of Bondholders, provided that the Issuer receives an opinion of nationally recognized bond counsel to the effect that this Disclosure Agreement as so modified complies with the Rule as it exists at the time of modification. The Issuer shall within a reasonable time thereafter file with the MSRB a description of such modification(s).

Section 6. Defaults. (a) If the Issuer fails to comply with any covenant or obligation regarding Continuing Disclosure specified in this Disclosure Agreement, any holder (within the meaning of the Rule) or beneficial holder of Bonds then outstanding may, by notice to the Issuer, proceed to protect and enforce its rights and the rights of the holders by an action for specific performance of the Issuer’s covenant to provide the Continuing Disclosure.

(b) Notwithstanding anything herein to the contrary, any failure of the Issuer to comply with any obligation regarding Continuing Disclosure specified in this Disclosure Agreement (i) shall not be deemed to constitute an event of default under the Bonds or the resolution providing for the issuance of the Bonds and (ii) shall not give rise to any right or remedy other than that described in Section 6(a) above.

* For the purposes of the event identified in Subsection (3)(l) above, the event is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for an obligated person in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the obligated person, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the obligated person.

Section 7. Filing Method. Any filing required hereunder shall be made by transmitting such disclosure, notice or other information in electronic format to the MSRB through the MSRB's Electronic Municipal Market Access System pursuant to procedures promulgated by the MSRB.

Section 8. Additional Disclosure. The Issuer may from time to time disclose certain information and data in addition to the Continuing Disclosure. Notwithstanding anything herein to the contrary, the Issuer shall not incur any obligation to continue to provide, or to update, such additional information or data.

Section 9. Counterparts. This Disclosure Agreement may be executed in several counterparts; each of which shall be an original, and all of which shall constitute but one and the same instrument.

Section 10. Governing Law. This Disclosure Agreement shall be construed and enforced in accordance with the laws of the Commonwealth of Virginia.

CITY OF DANVILLE, VIRGINIA

Mayor, City of Danville, Virginia

City Manager, City of Danville, Virginia

APPENDIX E

INFORMATION REGARDING THE DEPOSITORY TRUST COMPANY AND ITS BOOK-ENTRY SYSTEM

INFORMATION REGARDING THE DEPOSITORY TRUST COMPANY AND ITS BOOK-ENTRY SYSTEM

The description that follows of the procedures and recordkeeping with respect to beneficial ownership interests in the Bonds, payments of principal of and premium, if any, and interest on the Bonds to The Depository Trust Company, New York, New York (“DTC”), its nominee, Participants or Beneficial Owners (each as hereinafter defined), confirmation and transfer of beneficial ownership interests in the Bonds and other Bond-related transactions by and between DTC, Participants and Beneficial Owners is based solely on information furnished by DTC.

DTC will act as securities depository for the Bonds. The Bonds will be issued as fully-registered securities registered in the name of Cede & Co. (DTC’s partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered Bond certificate will be issued for each maturity of the Bonds, each in the aggregate principal amount of such maturity, and will be deposited with DTC.

DTC, the world’s largest depository, is a limited-purpose trust company organized under the New York Banking Law, a “banking organization” within the meaning of the New York Banking Law, a member of the Federal Reserve System, a “clearing corporation” within the meaning of the New York Uniform Commercial Code and a “clearing agency” registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity, corporate and municipal debt issues and money market instruments (from over 100 countries) that DTC’s participants (the “Direct Participants”) deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities through electronic computerized book-entry transfers and pledges between Direct Participants’ accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation (“DTCC”). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others, such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly (the “Indirect Participants”). DTC has a Standard & Poor’s rating of AA+. The DTC Rules applicable to its Direct and Indirect Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com.

Purchases of the Bonds under the DTC system must be made by or through the Direct Participants, which will receive a credit for the Bonds on DTC’s records. The ownership interest of each actual purchaser of each Bond (the “Beneficial Owner”) is in turn to be recorded on the Direct and Indirect Participants’ records. The Beneficial Owners will not receive written confirmation from DTC of their purchase. The Beneficial Owners, however, are expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Bonds are to be accomplished by entries made on the books of the Direct or Indirect Participants acting on behalf of the Beneficial Owners. The Beneficial Owners will not receive certificates representing their ownership interests in the Bonds, except in the event that use of the book-entry system for the Bonds is discontinued.

To facilitate subsequent transfers, all Bonds deposited by the Direct Participants with DTC are registered in the name of DTC’s partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of the Bonds with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Bonds; DTC’s records reflect only the identity of the Direct Participants to whose accounts such Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holding on behalf of their customers.

Conveyance of notices and other communications by DTC to the Direct Participants, by the Direct Participants to the Indirect Participants, and by the Direct and Indirect Participants to the Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time.

Redemption notices shall be sent to DTC. If less than all of the Bonds are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to the Bonds unless authorized by a Direct Participant in accordance with DTC's Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the City or the Registrar as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts the Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Payments of principal of and interest on the Bonds will be made to Cede & Co. or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit the Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the City or the Registrar on payable date in accordance with their respective holdings shown on DTC's records. Payments by the Direct and Indirect Participants to the Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, the City or the Registrar, subject to any statutory or regulatory requirements as may be in effect from time to time. Payments of principal of and interest on the Bonds to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the City or the Registrar, disbursement of such payments to the Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of the Direct and Indirect Participants.

DTC may discontinue providing its services as securities depository with respect to the Bonds at any time by giving reasonable notice to the City or the Registrar. Under such circumstances, in the event that a successor securities depository is not obtained, Bond certificates will be printed and delivered.

The City may decide to discontinue use of the system of book-entry transfers through DTC (or a successor securities depository). In that event, Bond certificates will be printed and delivered.

The information in this Appendix E concerning DTC and DTC's book-entry system has been obtained from sources that the City believes to be reliable, but the City takes no responsibility for the accuracy thereof.

Neither the City nor the Registrar has any responsibility or obligation to the Direct or Indirect Participants or the Beneficial Owners with respect to: (a) the accuracy of any records maintained by DTC or any Direct or Indirect Participant; (b) the payment by any Direct or Indirect Participant of any amount due to any Beneficial Owner in respect of the principal of and interest on the Bonds; (c) the delivery or timeliness of delivery by any Direct or Indirect Participant of any notice to any Beneficial Owner that is required or permitted under the terms of the Bond Resolution to be given to Bondholders; or (d) any other action taken by DTC, or its nominee, Cede & Co., as Bondholder, including the effectiveness of any action taken pursuant to an Omnibus Proxy.

So long as Cede & Co. is the registered owner of the Bonds, as nominee of DTC, references in this Official Statement to the Owners of the Bonds shall mean Cede & Co. and shall not mean the Beneficial Owners, and Cede & Co. will be treated as the only holder of Bonds for all purposes under the Bond Resolution.

The City may enter into amendments to the agreement with DTC or successor agreements with a successor securities depository, relating to the book-entry system to be maintained with respect to the Bonds without the consent of the Beneficial Owners or Bondholders.

APPENDIX F
NOTICE OF SALE

Council Letter City of Danville, Virginia



CL - 1654

NEW BUSINESS E.

City Council REGULAR MEETING

Meeting Date: November 19, 2024

Subject: Amending the Fiscal Year 2025 Budget Appropriation Ordinance by Anticipating the Proceeds from the Issuance of General Obligation Bonds.

From: Henrietta Weaver, Budget Director

COUNCIL ACTION

An Ordinance Amending the Fiscal Year 2025 Budget Appropriation Ordinance by Anticipating the Proceeds from the Issuance of Bonds and Appropriating Same for Anticipated Expenditures.

FIRST READING

SUMMARY

The City Council has authorized the issuance of General Obligation Bonds to fund various projects as specified in the Fiscal Year 2025 Capital & Special Projects Plan.

BACKGROUND

The City's Fiscal Year 2025 Capital & Special Projects Plan includes funding in the amount of \$16,000,000 for General Fund projects. The attached ordinance is a flexible ordinance providing for posting of issuance costs and refinancing of previous bonds to be determined upon the issuance of the bonds.

RECOMMENDATION

It is recommended that the City Council adopt the attached ordinance amending the Fiscal Year 2025 Budget Appropriation Ordinance for Capital and Special Projects.

Attachments

1. Ordinance
-

PRESENTED: _____

ADOPTED: _____

ORDINANCE NO. 2024 - _____ - _____

AN ORDINANCE AMENDING THE FISCAL YEAR 2025 BUDGET APPROPRIATION ORDINANCE BY ANTICIPATING THE PROCEEDS FROM THE ISSUANCE OF BONDS AND APPROPRIATING SAME FOR ANTICIPATED EXPENDITURES.

WHEREAS, the City Council has authorized the issuance of general obligation bonds to finance various capital projects; and

WHEREAS, City Council desires to appropriate the proceeds to fund the various projects, including, without limitation, parks and recreation facilities and equipment, public safety equipment, public street improvements, improvements to public buildings, distribution and treatment infrastructure improvements for the water system, substations and distribution infrastructure improvements for the electric system, and estimated bond issuance costs.

NOW THEREFORE, BE IT ORDAINED by the Council of the City of Danville, Virginia, that the Fiscal Year 2025 Budget Appropriation Ordinance be, and it is hereby, amended by appropriating funds from the sale bonds as follows:

ANTICIPATED REVENUES

<u>Description</u>	<u>Account No.</u>	<u>Amount</u>
Capital Projects Fund:		
CCTV Expansion	61436000-43025	75,000
Police Service Pistol Replacement	61965000-43025	226,650
Fire Apparatus and Equipment Replacement	60184000-43025	255,000
Personal Protective Equipment (PPE)	61865000-43025	840,000
ECC Communication Systems	61936000-43025	64,630
New Fire Facilities	61941000-43025	190,000
General Street Improvements	60000067-43025	200,000
Storm Damage Construction	60022000-43025	200,000
General Maintenance of Buildings	60027000-43025	250,000
River District Street Improvements	61281000-43025	500,000
City Owned Parking Lots	61512000-43025	100,000

<u>Description</u>	<u>Account No.</u>	<u>Amount</u>
Exterior Painting of City Buildings	61513000-43025	100,000
Municipal Building/Courthouse Renovations	61676000-43025	53,746
Elevator Upgrade	61702000-43025	300,000
Emergency Generators	61703000-43025	250,000
HVAC Replacement	61704000-43025	520,000
Roof Replacement	61705000-43025	300,000
Intersection Improvements at South Main St and Stokes St	61871000-43025	100,000
Fuel Site Maintenance and Upgrade	61953000-43025	200,000
Traffic Signal Replacement	61964000-43025	450,000
American Legion Stadium	60810000-43025	200,000
Facility Improvements	60901000-43025	230,000
Park Improvements	60902000-43025	394,974
		<u>6,000,000</u>
Water Fund:		
Water Line Reconstruction	60053000-43025	2,000,000
		<u>2,000,000</u>
Electric Fund:		
Substation Upgrades & Rebuilds	61029000-43025	3,000,000
New Design Substation Upgrade	61565000-43025	2,500,000
Electric System Reliability and Improvements	61789000-43025	2,500,000
		<u>8,000,000</u>
	TOTAL	<u>\$16,000,000</u>

ANTICIPATED EXPENDITURES

<u>Description</u>	<u>Account No.</u>	<u>Amount</u>
Capital Projects Fund:		
CCTV Expansion	61436999-50	75,000
Police Service Pistol Replacement	61965999-50	226,650
Fire Apparatus and Equipment Replacement	60184999-50	255,000
Personal Protective Equipment (PPE)	61865999-50	840,000
ECC Communication Systems	61936999-50	64,630
New Fire Facilities	61941999-50	190,000
General Street Improvements	60000067-6999	200,000
Storm Damage Construction	60022999-50	200,000
General Maintenance of Buildings	60027999-50	250,000
River District Street Improvements	61281999-50	500,000
City Owned Parking Lots	61512999-50	100,000
Exterior Painting of City Buildings	61513999-50	100,000
Municipal Building/Courthouse Renovations	61676999-50	53,746
Elevator Upgrade	61702999-50	300,000
Emergency Generators	61703999-50	250,000

<u>Description</u>	<u>Account No.</u>	<u>Amount</u>
HVAC Replacement	61704999-50	520,000
Roof Replacement	61705999-50	300,000
Intersection Improvements at South Main St and Stokes St	61871000-50	100,000
Fuel Site Maintenance and Upgrade	61953999-50	200,000
Traffic Signal Replacement	61964999-50	450,000
American Legion Stadium	60810999-50	200,000
Facility Improvements	60901999-50	230,000
Park Improvements	60902999-50	394,974
		<u>6,000,000</u>
Water Fund:		
Water Line Reconstruction	60053000-43025	2,000,000
		<u>2,000,000</u>
Electric Fund:		
Substation Upgrades & Rebuilds	61029000-43025	3,000,000
New Design Substation Upgrade	61565000-43025	2,500,000
Electric System Reliability and Improvements	61789000-43025	2,500,000
		<u>8,000,000</u>
	TOTAL	<u>\$16,000,000</u>

BE IT FURTHER ORDAINED that this is a flexible appropriation as related to refinancing of existing bonds and issuance costs, both to be determined when the bonds are issued.

BE IT FINALLY ORDAINED that all other accounts and provisions of the Fiscal Year 2025 Budget Appropriation Ordinance, as amended, not hereby amended, shall continue in full force and effect unless and until hereafter further amended or repealed.

APPROVED:

Mayor

ATTEST:

City Clerk

APPROVED AS TO FORM
AND LEGAL SUFFICIENCY:

City Attorney